

# BUSINESS WEEK

WEEK  
AGO

YEAR  
AGO



For Britain (the bullseye) and America (the star) — one production line.

BUSINESS  
WEEK  
INDEX

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# Knight Errant to Beauty

No knight of old ever put up a more gallant fight to protect beauty in distress than does the greenhouse man of today. But instead of a flashing blade, this modern Sir Launcelot's trusty weapon is a slate colored powder. And his enemies, sworn to destroy his fair charges, are the ever advancing armies of insect pests.

Enemies to test any man's mettle they are, too. They fight insidiously, with no respect for rules. So destructive are they that without effective chemical control greenhouse men would lose thousands of dollars yearly to the ravages of insects.

But science takes a hand. The principles of fumigation are applied to the problem. Out of Cyanamid's research and experimentation in this field came Cyanogas\*—an effective fumigant devel-

oped to combat insect infestation of flowers, fruits, vegetables and foliage. The action of Cyanogas is simple. A gray powder, it liberates exceedingly penetrating gas fumes which permeate every inch of a closed area, killing off insects instantly... leaving the treated plants clean and healthy.

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State and commercial scientific authorities throughout the world, Cyanogas is just one of the many ways that Cyanamid Chemistry is making our modern world a pleasanter, safer place to live in.

\*Reg. U.S. Pat. Off.



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study of causes-and-prevention of power-plant accidents and in directing a nation-

covering force of 400 highly trained field inspectors who devote all their time to this one task.

So it is with no half-way measures that Hartford Steam Boiler guards these interests of its policyholders. This Company *specializes* — has no divided interests, no multiplicity of lines. The service it renders is an "all out" service based on 75 years of experience with power-plant safety problems.

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## BUSINESS WEEK

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### THE PICTURES

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A McGRAW-HILL PUBLICATION



## Ask a Gopher About Defense

**SEEMS** as if the gopher has a special liking for the lead sheathing which covers buried telephone cable. So, whenever we lay cable in gopher country, we gopher-proof it with extra steel tape—and his sharp teeth can't do any damage. That's bad news for Mr. Gopher but good news for your Long Distance call.

A small thing, but just one of the many things the Bell System is doing these days to prevent interruption in telephone service. For the telephone is a vital link in the whole program of National Defense.



**Long Distance helps unite the nation**

*"The Telephone Hour" is broadcast every Monday. (N. B. C. Red Network, 8 P. M., Eastern Daylight Saving Time.)*



HOW TO FIND IN NEW YORK  
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► Customers of the Marine Midland Trust Company of New York have unusual services available to them. These include not only speeding up draft and check collections and providing pertinent credit information; but also supplying data on present plant facilities and on products manufactured throughout New York State. All of this is possible only because of the co-operation of Marine Midland Banks in 39 trading centers and the intimate knowledge that officers of these banks have of people and business in their own communities. Let us show you how your firm can save business time and money in this rich market.



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# BUSINESS WEEK

and The ANNALIST

May 10, 1941

## DEFENSE OF DEMOCRACY—IN THE AIR

Planes for Britain and planes for the United States—side by side, they toll down the production lines of America's airplane factories, as, for example, at the Douglas plant on this week's cover. And they are coming off the lines at a steadily accelerating rate. Thus, April production totaled 1,427 war planes—about half for England—compared with 1,074 in March. Present prospect is that the year's goal of 18,000 will be exceeded by more than 10%. But that's still not enough. "Command of the air by the democracies must and can be achieved." With those words, President Roosevelt this week announced a new program for 500 more heavy bombers a month (page 7).

## RATIONING—AND HOW IT WORKS

OPM's mandatory priority list now includes seven items: aluminum, nickel, nickel steel, magnesium, machine tools, ferro-tungsten, Neoprene. Soon half a dozen other items will be added. When a product or commodity goes on that list, it means that a non-defense manufacturer can't get any supplies until military needs are met. Then he has to get an O.K. from the OPACS which will ration out what's left for civilian use. For the brass-tack facts on what to do to get a priority rating—page 15.

## GUNS AND BUTTER

With industrial production at boomtime levels, the question naturally arises: How much of it is "butter," how much is "guns"? Business Week gives the answer in 24 plain-speaking charts, pages 26 and 27, comparing wartime trends in consumer and defense industries.

## CLEARING HOUSE FOR SUBSTITUTES

By using enameled steel for the eyelets of gym shoes, one company is saving 700 lb. of aluminum a year. A washing-machine manufacturer, by making agitators out of plastics, will save 500,000 lb. a year. So the list runs through gas-range burner heads, record changers, croquet racks, and a host of other items handled by the mail-order houses who have already been to see Mr. McConnell of OPM's new Conservation Unit. And that's just a sample (page 48) of what's being done for manufacturers who need substitutes and substitute makers who need new markets.

## NYLON'S FIRST

Remember 'way back when all the newspapers and magazines were talking about the new hosiery "made of coal, air, and water"? That may seem a long time ago, but it's not, for nylon won't celebrate even its first anniversary on the hosiery counters till next week. Underlying the merchandising feat of making everybody take nylon for granted (page 35) is the important fact that the product was perfected before the public ever saw it.

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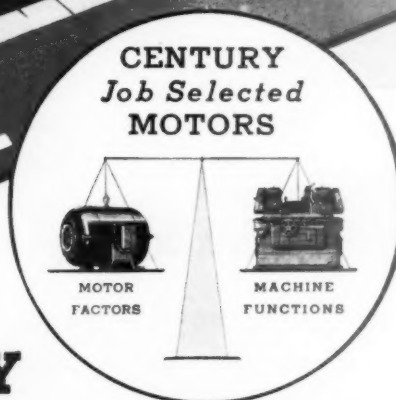


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Century Job Selected Motors may solve many a production problem for you, too. Get all the facts, get the complete story of Century's extra value. Let your nearest Century Motor Specialist help you with your motor problems—there are 31 Century branch offices to serve you, an important service today when quick action is so essential. 'Phone or write for Century engineering service.

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## HE ALWAYS WANTED TO BE A FIREMAN

As a boy he loved to hang around the fire house . . . watch the horses . . . run errands for the men. Once they let him slide down the brass pole.

Well, he never got to be a fireman, but what a "no-fire" man he turned out to be, for it was through him that his community learned to use the fire prevention services offered jointly and without charge by 200 capital stock fire insurance companies . . . periodic surveys of towns, help in catching firebugs, etc.

As a member of the parents' association of the high school, he led the adoption of im-

proved fire drills and he urged the local government to have insurance engineers survey the local fire defenses. This resulted in improvement of the water supply and of fire apparatus, and the adoption of a more stringent building code. Thus, he helped to make his community safer from fire.

THE NATIONAL BOARD OF FIRE UNDERWRITERS  
85 John Street, New York      Established 1866  
*Nation-wide organization of 200 capital stock fire insurance companies*



"I'm not surprised to learn that the National Board is 75 years old in a few weeks, because I learned long ago that the fire insurance business was the earliest to join hands in a national way to promote public welfare!"



# CAPITAL STOCK COMPANY FIRE INSURANCE



# WASHINGTON BULLETIN

## FOR BUSINESS BY BUSINESS WEEK'S WASHINGTON BUREAU

### The Problem of Apathy

Heavy bombardment of industry and the public by the President and defense chiefs is aimed at bringing the war home to the people as well as at speeding up production. The lethargy of public opinion is driving the Administration's "all-out" forces almost frantic. Insistent demands that from now on men and machines go on a 24-hour, seven-day basis to build the war machine anticipate continued expansion of the war's requirements—bombers, for example. Actually, however, the new bomber program, announced just as Gen. Arnold, Army air chief, rushed back from England, is a 1942-43 job, seized upon by Roosevelt to dramatize the present emergency.

### Doubling the Program

In the works for several months past, it is an extension of Knudsen's autoplant bomber program, launched in Detroit, last fall. The new bombers won't be in production, probably, until about a year from now. The present Detroit program calls for production starting late this year of 100 four-engine bombers and 200 twin-engine bombers a month. The new plan, when it gets rolling, would step up this output by about 250 of each type a month. Apparent intention is to have auto firms assemble complete craft rather than merely make parts as at present.

### Delegating Defense Authority

Defense officials close to Roosevelt believe that, once the defense organization is shaped to his liking, he will relieve himself of a larger part of the burden of directing the armament program (and incidentally ease the bottleneck in the White House) by appointing a right-hand man to head the Office for Emergency Management. Several officials have a hunch that this key job will be offered to Willkie. They admit it's only their hunch.

To shoulder the dog-work of Harry Hopkins' job as lend-lease administrator, Major General James H. Burns has been formally appointed as executive officer of the Division of Defense Aid Reports, a new unit created in the Office for Emergency Management. Major General Burns has been working with Hopkins for several weeks (BW—Apr. 5'41, p7).

Vice-President Wallace has been handed the job of setting up the Home Defense agency. Roosevelt turned to

his No. 2 man after he had turned thumbs down on a dozen sets of plans that had been worked up by Budget Director Harold Smith, Wayne Coy, the President's liaison with OEM, and ex-Ambassador Bullitt.

### Army Resists Subcontracting

Various conditions in administration of the defense program still impede the speed-up drive. The President's letter to Knudsen and Hillman, urging full utilization of machine facilities, supports OPM's efforts to get more work done by subcontracting and farming out of jobs.

The Army, however, is still resisting this means of distributing the production job. Under-Secretary of War Patterson is encouraging the spreading of work "as far as practicable" but is opposed to offering any incentives—such as allowing any upward adjustment in contract prices to cover increased costs incurred in subletting. He's not satisfied that this would expedite production or bring in new sources of supply.

### Spreading Out the Overtime

Sidney Hillman's plan for distribution of overtime may run into opposition from the industries involved in the proposed 24-hour, seven-day week speed-up. His plan is to work four fully-manned shifts around the clock for the entire week with the exception of an eight-hour let-up, from 7 A.M. to 3 P.M. Sunday, for machine repair and maintenance. Saturday and Sunday overtime pay would be pooled and divided equally among all workers, whether or not they participate in the overtime shifts. In other words, time and a half (or double time) would be paid for Saturday and Sunday work and distributed throughout the entire force as a bonus on a pro rata basis, without making anybody work more than 40 hours a week.

### Draft vs. Defense Work

Groundwork for overhauling the Selective Service Act may be laid in the investigation proposed by Senator Vandenberg. Without legislation nothing positive can be done to prevent draining of skilled labor supply by local draft boards. Federal authorities are gun-shy of group deferments, recalling the bad odor that resulted in the last war.

Officials are awaiting results of pressure applied to local boards by Brig. Gen. Hershey to ease up on drafting of

skilled workers, in line with President's call to comb the country for defense-production manpower.

### The Winner—D. of A.

An epitaph for the old Defense Commission's Agricultural Division was written when the President simultaneously accepted the resignation of Chester Davis as its commissioner and instructed Secretary Wickard to set up an Office for Defense Relations within the Department of Agriculture. Davis' comment that his step "seems to be required by recent developments" is a bow to the inevitable.

The Agriculture Department has emerged complete winner in its scrap with Davis (backed by Bernard Baruch) for control of food policies for U. S. and Britain. Davis urged an independent food administration free of the department's kow-towing to producers. Instead, Surplus Marketing Administration got the green light and farmers are being offered pegged and higher prices to step up output in key commodities.

### Tax Bill Hits Snag

The Treasury's \$3,600,000,000 tax bill is running into heavy weather, and the Administration may be forced to throw a few principles overboard to get it through. The President's Delphic tax letter, intended to please everybody, pleased nobody, and roused opposition. To forestall a general sales tax and/or lower income-tax exemptions at this time, the White House is ready to agree to economies in defense expenditures and may have to ease the steep middle-class income surtaxes proposed in the Treasury bill.

The administration still hopes to put off heavy taxation of wage-earners until salary and profit taxation have been considerably "adjusted in the interests of equity"—upward.

• **Second Tax Bill**—To plug loopholes tighter, the Treasury is drafting a second bill to raise perhaps another \$1,000,000,000 by bringing into the tax base "substantial and significant elements of income" excluded from taxation by community property laws and tax-exempt securities.

### Non-Defense Spending

The Administration is ready to go part-way to meet demands for a reduction in government non-defense spending. The President's method is simply to withhold from government agencies

a portion of the funds appropriated to them by Congress. He can recoup a tidy sum in this fashion. He has done it before in sporadic economy drives.

At the President's request, the Budget Bureau is now re-examining estimates submitted to Congress last January for the fiscal year beginning July 1. Several big appropriation bills haven't yet cleared Congress. Cuts recommended by the bureau and O.K.'d by the President will be impounded.

### Avoiding Antitrust Conflict

Called upon to step up production, the machine-tool industry is confronted in the Chicago area with an antitrust investigation apparently undertaken by Assistant Attorney General Arnold on his own initiative. Object is to discover whether any tool makers have conspired to regulate production and keep prices up.

At the same time Attorney General Jackson has assured OPM that no threat of antitrust prosecution will hang over the head of industry committees formed at the request of OPM or Henderson's OPACS for the purpose of expediting defense production by distributing orders or curtailing non-defense production. Requests for the right to institute such techniques as the allocation of orders may be made only after the general character of the action has been cleared with the Department of Justice. If approved by OPM or OPACS, later requests for specific action in carrying out such a plan need not be submitted to the Department.

### Milk, Meat Under Fire

Thurman Arnold's antitrust drive on food prices erupted this week in the nation's two largest cities. In New York, a grand jury indicted Borden, Sheffield Farms, and four other milk distributors on charges of using threats and coercion to make independent distributors conform to the price of store-bought milk prescribed by the defendants. Indictment doesn't concern itself with home-delivered milk.

In Chicago, where Arnold's investigators have been looking into livestock marketing for months, a grand jury opened operations by subpoenaing 100 witnesses and the records of all the major meat packers. The grand jury is scheduled to concentrate on the pricing of dressed meat, and the practices of packers, order buyers, and commission men in marketing lambs, hogs, and cattle. Advance whisper is that the most sensational disclosures will concern lambs.

### Price Aid for Small Mills

Small steel mills will be permitted, in specific cases, to continue to charge

the prices that prevailed before price-freezing, even though they are higher than the ceiling. Because it customarily charged higher prices than the big companies, appropriate differentials have been approved for Phoenix Iron Co., Phoenixville, Pa.

Similar treatment probably will be accorded Central Iron and Steel Co., Harrisburg, Pa.; Andrews Steel Co., Newport, Ky.; and Apollo Steel Co., Apollo, Pa. Henderson's staff will keep any eye open to prevent such departures from wrecking price control.

### "On the House"

Secretary Ickes is running his rum business in scornful disregard of law and Treasury Department regulations. Giving of free goods to induce sales is prohibited by federal law and the Treasury has hauled up private manufacturers for the offense. The Virgin Island distillery, one of Ickes' subsidiary enterprises, is permitting its U. S. agent to give 50 cases of Government House rum with every 500-case order and, according to Assistant Secretary Burlew of the Interior Department, will continue to do so.

### Hands Full of Nutrition

FSA Administrator McNutt is having his hands full with the forthcoming May 26-28 national nutrition conference. The job is to keep the meeting from becoming a three-ring circus designed to promote (1) the pet ideas of any particular group of "enthusiastic nutritionists," (2) any particular "nutritional" food product, or (3) the aspirations of any particular government department or bureau. Harriet Elliott's inability to harness these conflicting factions defeated her efforts to map a practical public health-building program.

After "nutrition" was transferred to McNutt, he devoted three months to cooling the ardor of these groups. A conference had been planned last fall under Miss Elliott's direction, but McNutt vetoed the idea. It was not until Surgeon General Parran returned from his mission to England that he was able to sell the idea to the White House.

### FTC Shortcut?

A shortcut to enable the Federal Trade Commission to nail violators of the FTC and Clayton Acts without going through the slow and cumbersome complaint procedure has been suggested to the Senate Judiciary Committee. The detour would require amendment of the FTC act to permit the commission to lay down rules declaring specific commercial practices to be unfair, once such practices are outlawed by the Supreme Court in a formal proceeding.

After promulgation of a blanket rule, violators could be haled en bloc into federal court by civil suits, under a maximum penalty of \$5,000 for each violation. William B. Wooden, FTC assistant chief counsel, concedes the proposal is of doubtful constitutionality.

### Speedup Incident

Republic Aviation Corp. has moved from the presidency to the board chairmanship W. Wallace Kellett, able aeronaut, widely respected in the aviation industry for his knowledge of engineering and design. It has installed as president and chief executive officer Ralph S. Damon, who began his manufacturing career with Curtiss and is going to Republic on leave of absence from the post of vice-president in charge of operations for American Airlines. Insiders cite the change as a response of the interests behind Republic to Washington suggestions that the company should find ways of stepping up quantity production on its crack fighter, to intimations that the Army must consider quantity as well as quality in allocating contracts.

Significance of the move as an example of Washington's powers of suggestion are being studied by other companies in the industry.

### P. S.

Big boost to the defense bond program was assured this week by the Texas Co.'s gift to the government of 13 one-hour broadcasting periods on 85 Columbia stations when Texaco's Fred Allen program goes off the air for the summer on July 2. Outstanding theater and radio stars will plug the bonds. . . . Rumor that the Census Bureau is being transferred to the War Department boils down to an arrangement made by OPM whereby the bureau is setting up special units for the War Department's benefit. . . . The cut in new car output throws emphasis on parts to keep jalopies rolling. OPM is reassuring on this point, but parts-makers are running into shortages and there's not much latitude for using substitute materials in parts for old models. Draining of skilled mechanics from auto repair shops is beginning to play hob with maintenance, driving the business back into the alleys. . . . A quarter million pounds of jam shipped to the Army and CCC by the Fresh Grown Preserves Corporation, Brooklyn, has been seized by the Food and Drug Administration as substandard. . . . Machine-tool manufacturers have been asked not to raise prices at this time and price schedule No. 1 on used machine tools has been amended to provide that ceiling prices of second-hand tools must be computed in terms of percentages of March 1 prices of new tools.

# LET'S MAKE A BLUEPRINT

FOR YOUR FUTURE HOME

IN

ALUMINIZED AMERICA

You can't move in now, for many of the things in the homes of Aluminized America depend upon aluminum . . . and right now aluminum's job is to defend your home, not change it.

But the aluminum industry is making spectacular increases in mills, dams, power plants and ships which we hope will eventually meet the requirements of National Defense and leave plenty of this light, strong, economical material for other purposes. Soon the company's production capacity will be almost two and a half times what it was in 1939—the biggest peace time year in the company's history. When the emergency is over, America will have so much aluminum at such favorable prices that you will be using it in ways hardly even dreamed of today.



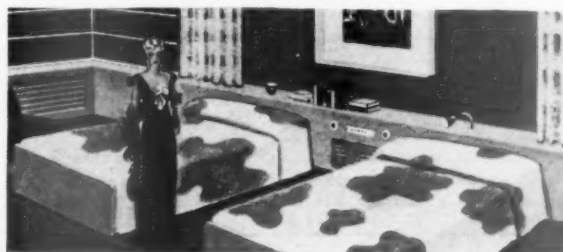
**HEAT.** Burned furnace gases may be sent through aluminum pipes along basement ceilings to recover 300 to 400 degrees of heat now going up chimneys . . . Radiators of aluminum may be smaller, but discharge heat faster . . . Ceilings of perforated tinted aluminum may circulate hot (or cold) air evenly over an entire room . . . Aluminum priming paint will tend to prevent the moisture in air-conditioned homes from making wood swell and paint crack . . . Awnings, being aluminum, will not need repairing, nor be a fire hazard.



**LIGHT.** Low-cost light from tinted fluorescent tubes with aluminum reflectors will enable you to use light lavishly. These tubes may be mounted around windows so that light always comes from the same source, night or day . . . The permanently high reflectivity of aluminum will make it economical to use these tubes or regular bulbs in hidden coves, behind valances, in recesses.



**FOOD.** Sterilizing lamps with aluminum reflectors built into refrigerators will cut food spoilage . . . Fruit and many other foods wrapped in aluminum foil will remain firmer and juicier . . . Kitchen ranges of colored aluminum will not chip . . . Aluminum surfaces of oven linings and reflectors under burners will get greater efficiency from fuels.



**DECORATION.** Hard-to-move upholstered furniture may be made lighter with aluminum frames . . . So may beds and other heavy pieces . . . Development of beautiful colors in aluminum may adapt it to use in panels or entire walls.

## Call on Aluminum's Research and Development Men

If you are working with any problem for the future in which aluminum may help, our engineers will be glad to work with you in finding an answer among aluminum's many economic advantages, among which are:

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- High Conductivity for Heat
- High Reflectivity for Light and Radiant Heat
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- Non-toxic
- Strength (in alloys)
- Non-sparking
- Appearance
- High Scrap and Re-use Value



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ANOTHER WAY ELECTRICAL POWER IS SPEEDING PRODUCTION



## NO LAZY AMPS IN MODERN PLANTS

*With Westinghouse Capacitors*

This is no time to loaf, for men, machines, or amperes. And yet amperes loaf. Every industrial plant operating induction motors is faced with the problem of preventing loafing amperes from slowing production.

Induction motors draw two kinds of current—in-phase amperes that supply the power—and out-of-phase amperes, the loafers, that do no useful work. When the out-of-phase amperes can be prevented from crowding out useful energy, the line can carry more power for production.

A Westinghouse capacitor relieves the power line of useless current. It opens the way for increased plant capacity without additional wiring. It prevents overloading transformers, breakers and other electrical equipment.

One manufacturer spent \$3,740 for

capacitor equipment and is saving almost \$2,500 a year. Another is saving \$1,300 a year. An investment of \$5,000 eliminated the need for \$15,000 worth of new equipment for a small power company.

The capacitor is only one of hundreds of Westinghouse devices that are helping industry to save time and money. Manufacturers are constantly using the services of Westinghouse engineers in solving their production problems. A phone call to our local office will bring one of our representatives to help you solve yours.

Westinghouse Electric & Mfg. Co.,  
East Pittsburgh, Pennsylvania.

# Westinghouse

*Time-Saver For American Industry*

### ELECTRICAL POWER SPEEDS PRODUCTION

*No American manufacturer can afford to overlook the modern methods and equipment offered by the electrical industry for speeding up production. A phone call will bring a Westinghouse representative to your office to discuss your problems.*

*Future advertisements on this page will describe how Westinghouse is helping in the aviation . . . mining . . . steel . . . metal-working . . . and other industries. Watch for these stories.*



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Total  
Prelim  
160  
150  
140  
130  
120  
110  
100  
90  
80  
Busines



# FIGURES OF THE WEEK

THE INDEX (see chart below) . . . . . \*139.0 †138.2 139.3 138.0 106.9

## PRODUCTION

Steel Ingot Operations (% of capacity) . . . . .	96.8	94.3	99.3	96.0	65.8
Automobile Production . . . . .	130,610	108,165	116,255	118,092	99,305
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands) . . . . .	\$15,211	\$18,000	\$17,667	\$26,240	\$9,092
Electric Power Output (million kilowatt-hours) . . . . .	2,734	2,750	2,779	2,734	2,386
Crude Oil (daily average, 1,000 bbls.) . . . . .	3,507	3,727	3,514	3,480	3,679
Bituminous Coal (daily average 1,000 tons) . . . . .	267	233	1,967	1,458	1,308

## TRADE

Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars) . . . . .	85	84	84	86	69
All Other Carloadings (daily average, 1,000 cars) . . . . .	35	34	48	54	38
Check Payments (outside N. Y. City, millions) . . . . .	\$5,445	\$5,405	\$6,160	\$4,674	\$4,697
Money in Circulation (Wednesday series, millions) . . . . .	\$9,071	\$8,992	\$8,944	\$8,265	\$7,570
Department Store Sales (change from same week of preceding year) . . . . .	+17%	+18%	+34%	+6%	None
Business Failures (Dun & Bradstreet, number) . . . . .	272	272	267	262	292

## PRICES (Average for the week)

Business Week-Annalist Cyclical Commodity Index . . . . .	85.73	84.99	85.62	80.75	71.03
Spot Commodity Index (Moody's, Dec. 31, 1931 = 100) . . . . .	188.8	185.6	185.3	164.9	161.9
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100) . . . . .	135.7	+134.2	+134.1	119.0	113.1
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100) . . . . .	136.3	134.8	133.7	118.8	121.9
Iron and Steel Composite (Steel, ton) . . . . .	\$38.15	\$38.15	\$38.15	\$38.06	\$37.17
Scrap Steel Composite (Iron Age, ton) . . . . .	\$19.17	\$19.17	\$19.17	\$20.67	\$16.75
Copper (electrolytic, Connecticut Valley, lb.) . . . . .	12.038¢	12.038¢	12.092¢	12.020¢	11.108¢
Wheat (No. 2, hard winter, Kansas City, bu.) . . . . .	\$0.87	\$0.86	\$0.88	\$0.81	\$1.05
Sugar (raw, delivered New York, lb.) . . . . .	3.42¢	3.32¢	3.40¢	2.88¢	2.81¢
Cotton (middling, ten designated markets, lb.) . . . . .	11.66¢	11.09¢	11.08¢	9.41¢	10.53¢
Rubber (ribbed smoked sheets, New York, lb.) . . . . .	24.02¢	23.16¢	22.23¢	20.51¢	20.03¢

## FINANCE

90 Stocks, Price Index (Standard & Poor's Corp.) . . . . .	74.5	74.7	79.4	87.7	96.0
Medium-Grade Corporate Bond Yield (30 Baa issues, Moody's) . . . . .	4.31%	4.33%	4.33%	4.53%	4.68%
U. S. Bond Yield (average of all issues due or callable after twelve years) . . . . .	1.91%	1.91%	2.00%	2.08%	2.25%
U. S. Treasury 3-to-5 year Note Yield . . . . .	0.49%	0.51%	0.52%	0.40%	0.45%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average) . . . . .	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6-months, N. Y. City (prevailing rate) . . . . .	4-4½%	4-4½%	4-4½%	4-4½%	4-4½%

## BANKING (Millions of dollars)

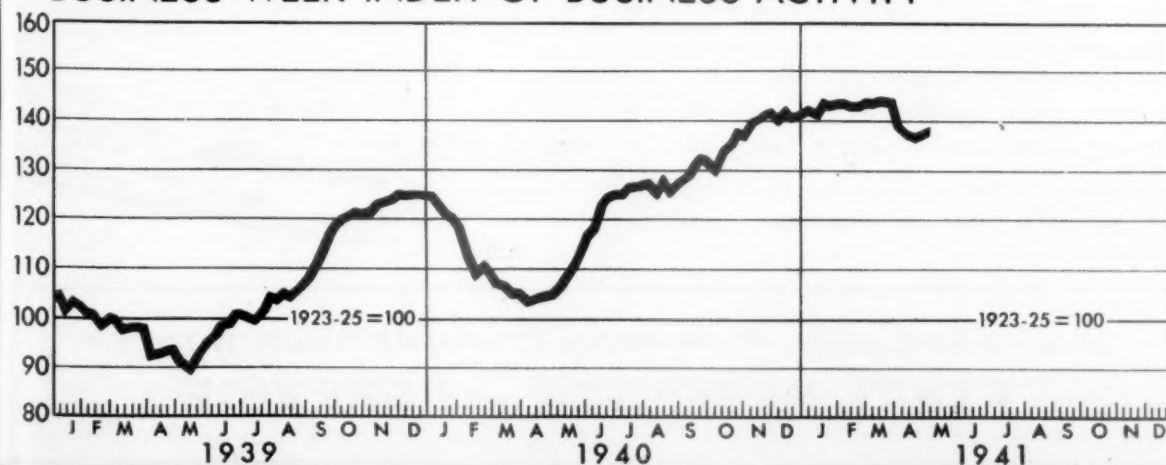
Demand Deposits Adjusted, reporting member banks . . . . .	23,712	23,762	23,093	21,858	19,696
Total Loans and Investments, reporting member banks . . . . .	27,550	27,546	26,952	24,602	23,542
Commercial and Agricultural Loans, reporting member banks . . . . .	5,532	5,509	5,465	4,773	4,409
Securities Loans, reporting member banks . . . . .	910	906	958	865	1,100
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks . . . . .	13,927	13,911	13,331	12,001	11,387
Other Securities Held, reporting member banks . . . . .	3,753	3,804	3,793	3,692	3,494
Excess Reserves, all member banks (Wednesday series) . . . . .	5,770	5,760	5,940	6,930	6,107
Total Federal Reserve Credit Outstanding (Wednesday series) . . . . .	2,234	2,239	2,244	2,381	2,500

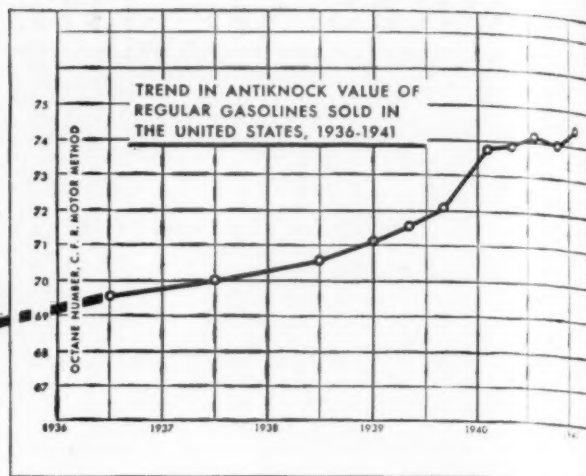
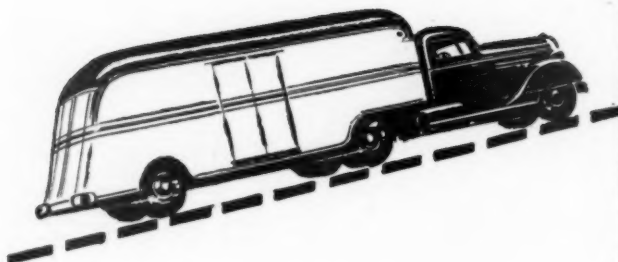
Preliminary, week ended May 3rd.

† Revised.

§ Date for "Latest Week" on each series on request.

## BUSINESS WEEK INDEX OF BUSINESS ACTIVITY





## THIS TREND IS GOOD NEWS

### to men who want to reduce transportation costs

**T**HE PROBLEMS of transportation which industry faces today are tremendous. More and more men and materials must be moved at an ever-quickenning tempo—yet the business executive cannot lose sight of his costs.

That is why progressive operators of trucks and buses welcome each improvement in the antiknock quality (octane number) of regular gasoline as "good news." For as antiknock quality goes up, the amount of power and work available in each gallon is increased.

By using today's better gasoline in modern high compression engines, or in older engines that have been altered to take advantage of modern gasoline, many fleet operators have been able to reduce their costs per ton-mile or passenger-mile. They report that in addition to gains in mileage, there are often considerable gains in operating speed, schedule times and payloads.

As this trend toward higher octane numbers of commercial fuels is continued, resulting

permissible gasoline engine developments will enable fleet operators to attain new lows in hauling costs.

To aid further progress Ethyl research engineers cooperate with both the automotive and petroleum industries in the development of fuels and engines. And Ethyl service engineers are helping many commercial operators to put to practical use the results obtained from laboratory and proving ground research.

For information as to how Ethyl engineers can help you take advantage of better gasolines, write to Fleet Division, Ethyl Gasoline Corporation, Chrysler Building, New York City.



*Better and more economical transportation through*  
**ETHYL RESEARCH and SERVICE**

# THE OUTLOOK

## Strategy—In War and Business

Administration concentrates on bombers to slow down German factories and ships to "deliver the goods." Business men buy commodities to guard against shortages and rising prices.

More and more, war is shaping the national economy. This week, for instance, commodity prices staged a brisk advance, reaching the highest level for the year. A combination of immediate and speculative buying accounted for the advance. Such overseas commodities as rubber, cocoa, pepper, and silk were in demand on the theory that deliveries were bound to become less and less certain with the tightening up on the free use of cargo vessels. Domestic commodities, such as cotton, wheat, and cotton cloth, also rallied, as part of the general movement (which has been developing in recent months) to get into things as a hedge against inflation; inventories are regarded as better than cash.

### Freight Cars Needed

Business men, moreover, have come to accept stringent allocation of materials as an inevitable necessity. Non-ferrous metals already are restricted, and it won't be long before steel is put under priority regulation. The demands on steel producers have far outstripped early estimates. The railroads, as an instance, are now figuring on 120,000 new freight cars to take care of 1942 traffic, and 150,000 more for 1943 needs. It was not so long ago that railroad men said their equipment was more than sufficient to handle traffic. For this year alone, Iron Age estimates that the railroads will require nearly 5,000,000 tons of steel, including track and rail supplies. In 1939, the railroad industry took 3,000,000 tons.

### War Is Voracious

Apparently this country has been going through the identical phase of underestimating that dogged and delayed the British program. All the early guesses of the British government on future needs were far too low; war was much more voracious in its demands on transportation and production facilities than business men and government officials at first imagined. (Of course, there was a small minority that agitated for a bigger, a more all-embracing, plan, but failed to put over its views.)

Even now, Gano Dunn is revising upward his estimates of steel requirements. And his report was released only two months ago! Mr. Dunn figured that

91,100,000 tons of capacity would take care of the country's consumption in 1942. At the time, Business Week pointed out that by June 30, 1942, consumption would be running at the annual rate of 92,750,000 tons, according to Mr. Dunn's own figures, and hence capacity would be far from adequate (BW—Mar. 8'41, p. 68). And only this week, OPACS Director Henderson testified that by March, 1942, steel production should be at the rate of 92,000,000 tons a year, and that that still would not be enough.

### Bombers and Ships

The strategy of the war, too, is having its effect on our way of economic life. President Roosevelt has now directed airplane and automobile plants to step up production of four-motor bombers. Shipbuilding, too, is to be rushed, so as to provide Britain with the needed cargo space. Accompanying this

is Secretary Stimson's assertion that this country must "deliver the goods."

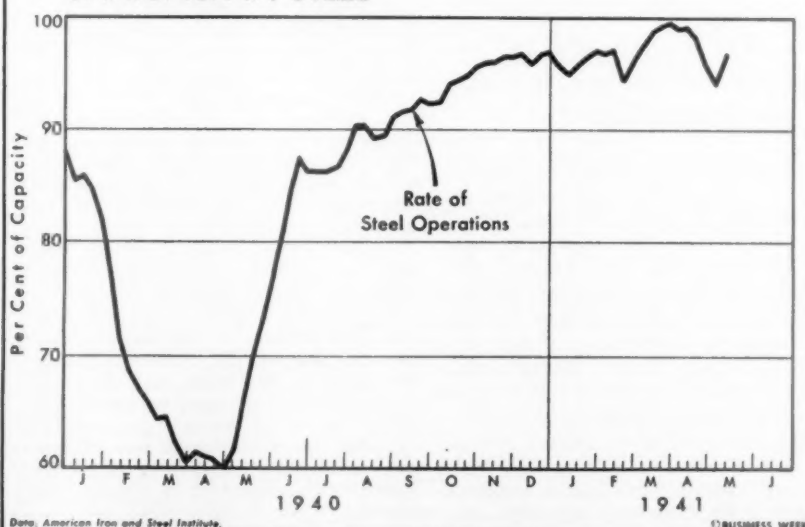
Thus, this country's plan of action is crystallizing. First, we are to concentrate on bombers to help the Royal Air Force batter down German production facilities. That will speed the day when this country's industrial machine (plus Britain's) will overtake Germany's. Second, we are to see that foodstuffs, munitions, etc. reach the British Isles.

### Rule for Priorities

Priority policy in the future, therefore, can be expected to be determined by bomber and ship production schedules—after airplane and shipbuilding companies get what they need, other defense industries will get materials, and after that, will come civilians. That is a broad pattern that business men will do well to bear in mind, when they consider their future requirements of aluminum, magnesium, machine tools, steel, copper, zinc, and so on.

As for the general business picture, it's still dominated by defense. The Business Week Index, now that steel production has started up again (Outlook Chart) soon will move into new high ground, unless labor troubles (such as the General Motors-U.A.W. dispute) get in the way of production.

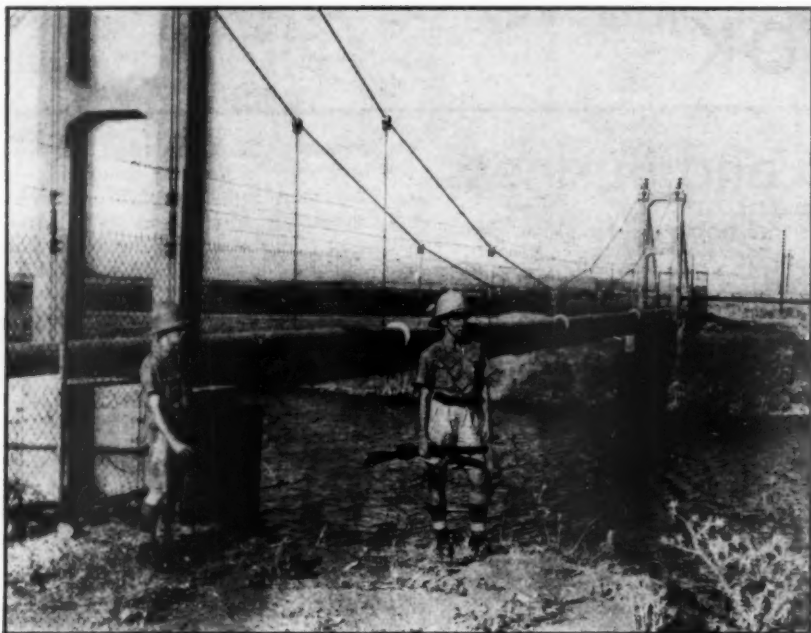
### IN THE OUTLOOK: SNAPBACK IN STEEL



It won't be long now until steel-ingot production is back to where it was before the bituminous-coal strike caused blast furnaces to shut down. This week operations shot up 2.5 points, and at 96.8% of capacity, were close to the pre-strike level of 99% plus.

With backlogs at an all-time high and current orders rolling in at the rate of production, the industry is booked solid for a protracted run at full capacity. Fairly strict steel allocations—curtailing civilian consumption—are merely a matter of time.





## ECONOMIC LIFELINE

British Tommies guard one of the vital prizes at stake in the battle of the eastern Mediterranean—the pipe line that brings oil from Iraq to Tripoli and Haifa. Actually, Iraq offers only a supply supplementary to that from the Iran fields, and the big

new American-controlled wells on nearby Bahrein Island. These provide fuel for Britain's fleet in the Middle East. To Germany, failure to capture them may precipitate an acute oil shortage if this mechanized war drags on. That is the real significance of the Libyan thrust, the air battles over Crete, the pressure on Turkey.

## Un-Chaining Radio

FCC orders, contested by NBC and CBS, would reduce broadcasting networks to status of program brokers.

No trade convention was ever hotter than next week's St. Louis meeting of the National Association of Broadcasters promises to be. The station owners have plenty to mull over. There is the matter of final peace terms to end the music war with the American Society of Composers, Authors and Publishers (page 42). Then there is the fact television has finally been given the green light on commercialization (page 22).

But transcending everything else is the fact that last weekend the Federal Communications Commission jammed through a set of network regulations so sweeping that they may very well revolutionize American broadcasting. If allowed to stand, they will make of the major networks little more than program brokers.

• **What New Rules Are—**The FCC's "anti-monopoly" regulations—adopted by a 5-to-2 vote, with Commissioners T. A. M. Craven and Norman S. Case

dissenting vigorously—provide that hereafter a license will not be issued to—

(1) Any station affiliated with a network organization which maintains more than one network—which means that National Broadcasting Co. is expected to get rid of either its Red or Blue net, undoubtedly the smaller Blue.

(2) Any network for more than one station in a service area, or for even a single station in any locality where "the stations are so few or of such unequal desirability that competition would be substantially restrained."

(3) Any station having a network contract that prohibits broadcasting of programs from another network.

(4) Any station having a network contract that prohibits a competitive station from broadcasting the network programs not taken by the contracting station or that prohibits a non-competitor from broadcasting any of the network programs.

(5) Any station having a network contract running for more than one year (with 60 days allowed at the year-end for renewal).

(6) Any station having a network contract requiring the station to hold open time or to clear time for network programs.

(7) Any station having a network contract that prohibits the station from rejecting any program deemed unsuitable or contrary to public interest.

(8) Any station having a network contract that hinders the station in altering its rates for time not taken by the net.

The FCC made the regulations effective immediately on new contracts but deferred their application to existing agreements for 90 days and promised that in cases where properties must be sold the effective date will be extended as necessary for orderly disposal.

• **NBC, CBS Start Fight—**In point of fact, it will be a long time before the regulations become effective—if ever. Executives of NBC and Columbia, as soon as they had heard the news, charged that the commission had gone far beyond the regulatory powers that Congress intended it should have. Starting with restraining orders, NBC and CBS will battle the commission all the way to the Supreme Court.

Opinion this week in Washington was that the FCC also has a fight on its hands in Congress, and possibly with the White House. Two years ago, the President suggested a reorganization of the FCC, with reduction of personnel from seven to three commissioners, and the writing of a new substantive law with provisions "so clear that the new administrative body will have no difficulty in interpreting or administering them."

• **President's Own Study—**Moreover, on April 22 the President appointed Mark Ethridge, former head of the National Broadcasters' Association and general manager of the Louisville Courier-Journal, to make an informal survey of the entire radio regulatory field. Comment in Washington is that the FCC, by jumping in with the new regulations before Mr. Ethridge could report back to the President, has hardly endeared itself to the White House.

• **If the Blue Is Sold—**Public interest seems to be greatest in the ruling that would force NBC to divest itself of its Blue network. How this would be done NBC executives would not even speculate, but it goes without saying that attempts would be made to dispose of the chain as a going concern—worth perhaps a dozen million dollars—rather than to let it disintegrate. Talk in advertising circles is that Mutual Broadcasting System would welcome stray Blue outlets into its cooperative setup.

Certainly, Mutual is on the other side of the fence from NBC and CBS. Its president, Alfred J. McCosker, says that the new rules will open up new and healthy competition among the chains. He describes as "presumptuous" a statement by Neville Miller, president of the National Association of Broadcasters, that the regulations are a "usurpation of power without justification in law."

• **Advertisers' Worry—**To advertisers, the elimination of multiple ownership is far less important than the ban on contracts giving networks exclusive tie-ups and a right-of-way on time. If, as the FCC says, such contracts are "the heart of abuses," they are also the heart



the existing network business. CBS and NBC own or operate less than 7% of the stations on their hookups. To sell programs on the others, NBC has options on 8½ hours time per weekday, and 8 hours on Sunday; CBS options all time. Stations are required to clear time for network programs on 28-day notice. Neither CBS nor NBC allows a station to carry programs of the other, although Mutual Broadcasting, a late comer, has managed to get a number of affiliates of the older nets to give it part time.

Mutual has consistently claimed that NBC and CBS contracts foster monopoly, and to charges that it also uses some exclusive contracts has replied that it was forced to do so until FCC should outlaw them generally. NBC and CBS declare that without such contracts the chains will be destroyed, for the ability to guarantee time is essential to sales. Guaranteed continuity on a country-wide basis has been one of the big factors in radio's success.

# Where You Stand on Priorities

System is now being revised and tightened. OPACS takes over civilian ratings on what's left after OPM has filled national defense needs. Price weapon created.

Since this country's intensive defense program got under way, the problem of priorities, though already a nightmare to a good many big industries, has been little more than the "ghost at the banquet" to the hundreds of smaller plants which still produce mainly consumer goods.

But in the next few months there are going to be important changes. A dozen or more important items are almost certain to be added to the control list. Defense businesses are going to absorb an increasing proportion of available supplies. The government is going to check inventories before allowing any plants to acquire fresh supplies

of a good many raw materials, and manufacturers who refuse to keep their prices in line or to carry their share of the defense production program (which the President is determined to speed up drastically) are likely to feel the "hand of the law" through the Administration's new power to cut off the company's supply of some essential raw material.

• **Rationed Items**—To assure supplies to the vital defense industries, the President ordered Edward R. Stettinius, Jr., head of the Priorities Division of the Office of Production Management, to ration materials wherever necessary. In the nine months that priorities have been operating, seven items were put on a strict rationing basis: aluminum, magnesium, nickel, nickel-steel, ferro-tungsten, Neoprene, and machine tools. Duty of the Priorities Division was to determine what quantity of each of these materials was available, turn over whatever amounts were required by defense industries, and ration the balance as fairly as possible to ordinary civilian business.

So rapidly have the defense orders of the government piled up that there are only two of these seven items today which fill defense needs and leave a residue for ordinary civilian needs. These are aluminum and nickel and, as the chart on this page shows, even with the tremendous expansion of aluminum production it has been impossible to keep more than a neck ahead of the defense demand. Insiders know that after May there will be no surplus of aluminum, except scrap, for civilian use, except where the priorities authorities may allocate a small supply to keep a plant operating until a substitute can be found.

• **Rating System**—The seven materials on the mandatory priority list—and there will be several more in the next few weeks, many more before the war is ended—are rationed in this way:

When a manufacturer gets a defense order, it receives a priority rating which is determined by the Army and Navy Munitions Board. These ratings range from AA (for supplies of all kinds needed at once for defense forces) through an A-1-a to A-1-j series covering such items as machine tools, airplane parts, and guns to be mounted on planes, and running on to ratings lumped under simple classifications ranging through A-2 to A-10. If the defense rating on your new order is AA, it's the highest available and should

## What a Civilian Priority Rating Means

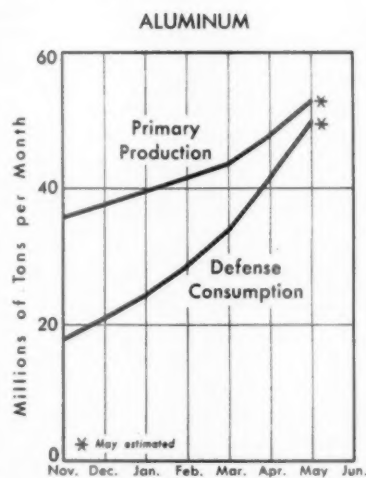
There are at present seven items which cannot be secured in this country without the permission of the Priorities Board in Washington. The items on this mandatory priorities list now are aluminum, nickel, nickel-steel, magnesium, ferro-tungsten, Neoprene, and machine tools. Several more are sure to be added in the next few months.

Requests for supplies of any of these materials are divided in Washington into two classifications:

Defense requirements get an "A" rating. There are gradations ranging from AA to A-10, depending on the importance of the product you manufacture in the eyes of the Army and Navy Munitions Board.

Civilian requirements get a "B" rating. Until last week they were handled in the Priorities Division of OPM, by allocating the residue of each of the above materials after defense needs were filled. Last week, this end of the priorities job was handed to the Office of Price Administration and Civilian Supply, with Joseph Weiner—newly appointed assistant to Leon Henderson, in charge.

How Mr. Weiner will decide to allocate civilian demand for mandatory materials remains a question. But it is a safe guess that he will base his plans on the experience of his predecessors in OPM. How they handled civilian priorities on one raw material—aluminum—is laid down in the following eight general divisions under which dwindling non-defense supplies of the metal (see chart) plus alu-



minum scrap (not included in chart) have been rationed:

B-1. Special classification for material to be set aside each month by primary producers in order to build emergency reserves.

B-2. Special classification for repair for replacement parts for existing apparatus.

B-3. Products essential to the protection of public health or safety (especially medical and hospital supplies).

B-4. Standard apparatus which cannot be redesigned to use substitute materials without serious interruption of current production (in plants producing chiefly for defense).

B-5. Customers requiring less than 1,000 lb. of aluminum a month.

B-6. Customers whose use of aluminum does not exceed 2 lbs. per \$100 of final sales value of the article of which it is an essential component.

B-7. Products for which no reasonably satisfactory substitute for aluminum is available.

B-8. Products for which a substitute is known and can be utilized when factory adjustments are made.

assure prompt delivery of all the necessary raw materials. If it is A-1-f, it's still a rating of the first order assuring regularly-scheduled deliveries of raw materials. But if it carries an A-10 rating, it's the lowest assigned under a defense (in contrast with a civilian) priority.

• **Secondary Priorities**—For the hundreds of manufacturers with no defense business or a limited amount of it, the Stettinius organization set up a second priority classification.

This second classification—for civilian use—had only eight divisions: B-1 to B-8. Industry demands were never broken down on a general precedence basis for there was never enough of all of the first seven control items available to make any general ruling applicable. However, the allocation plan for one material—aluminum—is given here (page 15), as a sample of how the program has been run until now.

• **Separate Divisions**—But here is where changes are in the offing. The President last week separated defense and civilian priorities into two divisions. Defense priorities will continue to be administered under OPM, but civilian priorities, henceforth, will be handled in Leon Henderson's Office of Price Administration and Civilian Supply, under his newly-appointed assistant administrator, Joseph L. Weiner, formerly of the Public Utilities Division of the Securities and Exchange Commission.

This means that all items on the priority list will be administered, first by OPM where all defense needs are filled, and then, from the residue—wherever there is one—by Henderson's OPACS for rationing among civilian industries.

• **List Expected to Grow**—If no more items were added to the mandatory priorities list than the seven now there, this would leave relatively little business for Mr. Weiner. But there are few people in Washington or in business today who doubt that, with defense expenditures due to top \$10,000,000,000 this year and the President reported ready to ask for another \$8,000,000,000, the list will grow rapidly.

Zinc is already on a "partial" control basis with producers required to set aside a percentage of each month's production for a pool from which the Priorities Division makes allocations to meet urgent needs. Copper is "tight" less because of a genuine shortage than because of hoarding and what the industry calls "panic buying." The same is true of certain kinds of steel.

• **Inventory Control**—Though many such items are likely soon to be added to the priority list in order to assure orderly distribution of available supplies, one move was made last week to delay restrictive action as long as possible. OPM announced an "honor system" of inventory control designed to prevent hoarding of a specified list of

materials vital to the defense program.

By demanding that every consumer produce a notarized statement as to the amount of a specific metal he has in stock before he is allowed to acquire a new shipment, Washington expects to uncover sizable quantities of many "tight" commodities.

Industry—where it is working on civilian goods—is in for a period of short rations and readjustments to the use of substitute materials for many old standby products (page 48). Freedom of competitive action is going to be increasingly restricted "for the duration." Styles and models of all kinds of products will be reduced to a minimum—voluntarily, if that can accom-

plish the desired end; otherwise, by compulsion.

• **Henderson's Role**—Though all priorities still continue to be administered from the Stettinius office at OPM, a new interpretation of the whole question of civilian supplies may be coming from the Henderson office at 2000 Massachusetts Avenue. Henderson already has in his hands the authority to administer prices. One way of giving him a new weapon for forcing the government's price policies on business is to boost the list of items on the priority list and let him control their distribution for non-defense uses. Industry must watch both OPM and OPACS closely for the tipoff to what's ahead.

## How to File an Inventory Control Report

If you sell any of the metals listed below, the Priorities Division of OPM, Washington, demands that before June 10 you file with it a statement based on Form PD-19B. If you are a customer buying these metals, you can secure them after June 10 only when you file with the supplier an affidavit based on Form PD-19A. Both forms can be copied from the sample printed below, without demanding special copies from Washington. The metals included are antimony, cadmium, chromium, cobalt, copper, ferrous alloys, iridium, iron and steel products, lead, manganese, mercury, molybdenum, non-ferrous alloys, tin, vanadium, secondary materials containing these metals.

### FORM PD-19A

Customer's Sworn Statement  
(To be filed with Suppliers pursuant to General Metals Order No. 1)

#### Instructions

As required by General Metals Order No. 1 of the Director of Priorities, dated May 1, 1941, each Customer (as defined in said Order) must execute and file with each of his Suppliers (as defined in said Order) one copy of this statement, on or before the 10th day of each month commencing June 10, 1941, and must, at the same time, execute and file one additional copy of this statement with the Director of Priorities, Office of Production Management, Washington, D. C.

#### Statement

(Name of Customer filing this statement)

State of \_\_\_\_\_ }  
County of \_\_\_\_\_ }

The undersigned being duly sworn, deposes and says:

(1) That he is the officer, partner, or proprietor of the above-named Customer authorized to execute this statement on behalf of said Customer.

(2) That he executes this statement on behalf of, and by authority of, said Customer.

(3) That the materials specified in said General Metals Order No. 1 of the Director of Priorities, dated May 1, 1941, which are used by said Customer are as follows:

(4) That said Customer has received no deliveries from any Supplier (as defined in said Order) of any of the materials specified in said Order, during the calendar month preceding the date of this statement, which effected an increase in the inventories in the hands of said Customer of any such materials, in the forms purchased or in other forms than purchased, over the quantities necessary on the basis of said Customer's method and rate of operation, efficiently to meet required deliveries of said Customer.

(Signature of authorized Officer, Partner, or Proprietor of Customer)

(Title)

Sworn before me this \_\_\_\_\_ day of \_\_\_\_\_

(Notary Public)

### FORM PD-19B

Supplier's Statement of Compliance with General Metals Order No. 1

#### Instructions

In accordance with General Metals Order No. 1 of the Director of Priorities dated May 1, 1941, each Supplier (as defined in said Order) must file on or before June 10, 1941, the following statement with the Director of Priorities, Office of Production Management, Washington, D. C.

#### Statement

(Name of Supplier)

The Supplier above-named hereby represents that:

(1) Said Supplier has, from and after May 1, 1941 (the date of General Metals Order No. 1 of the Director of Priorities), made and will hereafter so long as said Order is in effect, make no delivery to any Customer (as defined in said Order) of any material specified in said Order, except in accordance with the requirements of said Order.

(2) Said Supplier will report to the Director of Priorities any case in which any Customer (as defined in said Order) shall have failed to furnish said Supplier with a sworn statement as required by said Order at each date specified in said Order.

(3) Said Supplier will exercise due care and judgment respecting transactions with each Customer, in order to determine real or apparent non-observance of the letter or spirit of said Order, and will report any such non-observance thereof to the Priorities Division, Office of Production Management, Washington, D. C.

(4) Said Supplier will furnish to said Priorities Division, upon request, full and complete information and data pertaining to all material specified in said Order of which he is a Supplier (as defined in said Order), including, but not limited to, his productive capacities, actual production, inventories, deliveries and orders, and will give to representatives of said Priorities Division, upon request, access to his books and records for the purpose of an Audit thereof.

(Name of Supplier)

(Signature of authorized Officer, Partner, or Proprietor of Supplier)

(Title)

## Auto Quotas Set

OPM blueprint stabilizes production for first half of new model year, but production after that is anybody's guess.

Whatever assurances the auto-buying public may have derived from OPM's assignment of a specific quota of 4,122,571 new cars and trucks for the 1942 model year, both OPM and the auto industry know there is no certainty that that many units will be produced. The blue print of production that has been set for the auto industry by OPM applies only to the first six months, and even in that period production is restricted by special limitations on operations. What may happen in the last six months of the new model year is anybody's guess. Actually, the view in Detroit is that a further cut is sure to be ordered, as the exigencies of defense increase, cutting total production well below the figure that OPM announced.

The auto industry does know definitely what it can expect to do from Aug. 1, 1941, to Feb. 1, 1942, and OPM is already planning the allotment of materials for that period on the basis of the framework that has been drawn up.

• **Doping Out Curtailment**—In preparation for the curtailment of production, OPM studied the problems of each manufacturer. Companies were asked to present briefs outlining their production estimates for the Aug. 1, 1940-Aug. 1, 1941, period and to submit data on possible effects of the proposed curtailment. Not all manufacturers enjoyed the same increase in business during 1941, and an arbitrary cut amounting to 20%-25% might conceivably put certain independents and small truck-makers in the red.

From these briefs, it was determined that the industry would produce an estimated 5,289,974 cars and trucks in U. S. plants during the twelve months ending Aug. 1, 1941.

• **Percentages Fixed**—On the basis of the data obtained, General Motors, Ford, and Chrysler were cut 21.5%; the independent passenger car manufacturers 15%; the larger truck manufacturers 10%; the smaller truck manufacturers 5%; and concerns making not over 2,000 vehicles annually were exempted. The savings thus effected are estimated by the OPM at 1,065,820 units, which figures out at a net overall curtailment for the industry of 20.15%.

Auto makers refused to comment on how, when, and where these assigned curtailments for next season would affect their production schedules. Industry sources say intensive study of many factors must be made before an



### N. A. M. SURVEY

Clyde Walling has the distinction of being singled out by the National Association of Manufacturers—in its "Preparedness Through Production" survey (BW—Dec.21'40,p15)—as the country's smallest subcontractor on defense work. Walling is president of a Cleveland tool company located in his two-car garage (his car is parked in the driveway to provide more working space). He now employs five men.

Findings in the N.A.M. survey, presented to the Office of Production Management last week, cover the facilities of 18,002 plants—3,925 of which were surveyed by other organizations cooperating with the N.A.M.

intelligent appraisal of next year's assembly program can be made.

• **Further Instructions**—In the letters assigning curtailments to individual manufacturers was one further order, which was not made public. It forbids the manufacturer to crowd the lion's share of 1942 production into the first six months of the season. Under ordinary circumstances this period accounts for less than half a year's output.

Each manufacturer is to figure the total annual volume for 1942 under the new rules, then determine his maximum for the first six months according to the percentage of 1941 model production (44% for the industry as a whole) that fell in the first six months of that season.

• **Hypothetical Example**—Consider a

Walter D. Fuller, N.A.M. president, told William S. Knudsen, chief of the OPM, that the information—largely about small and medium-sized plants that might handle subcontracts—was being tabulated on a community basis for the country's major industrial centers to further the organization of "community pooling plans" (BW—Mar.1'41,p24). In response to Roosevelt's call for a 24-hour-a-day defense production, Mr. Fuller said the N.A.M. was beginning a series of "defense clinics" in various cities that would be attended by some 20,000 manufacturers. Mr. Fuller predicted he would be able to report 1,000 community pooling plans "starting or actually under way" by June.

Class I auto maker with 1941 output of 1,000,000 vehicles, of which 40% were assembled in the first six months of that season. He is subject to a cut of 21.5%, bringing his annual total down to 785,000 for 1942. In the first six months, he can produce only 40% of this figure, or 314,000.

Exemption of those manufacturers producing less than 2,000 units a year frees all bus manufacturers, except possibly Yellow Coach, from the necessity of curtailment. Yellow Coach has the option of cutting other vehicle types if it wishes.

The announcement of a definite program for the future is expected to retard somewhat the panic buying which recently has lifted retail sales above production (BW—Apr.26'41,p13).





## DOWN THE WAYS

The sixth of seven liners being built for the American President Lines' around-the-world service, the President Van Buren slid down the ways last week at the yards of the Newport News Shipbuilding and Drydock Co. Already in service, the Van Buren's sister-ships have hung up some enviable records for themselves—for example, from Bombay to New York, via Capetown, the new boats have clipped three weeks off the schedule set by the line's older boats on the same route. Forced out of the Mediterranean by the war, the boats go from the Pacific Coast to China, to Bombay, to Capetown, to New York, and back to the Pacific Coast through the Panama Canal.

## Price Law Later

Henderson's men say they have enough power for now and will wait for public opinion. Want more reasonable penalty.

Eventually, not now. That's the word from the Office of Price Administration and Civil Supply regarding new price-control legislation. It's pretty safe to assume that it won't be long in coming, but the public pulse, on which Dr. Henderson kept a stubby finger, has got something to do with it.

As sufficient unto the day OPACS boasts all the powers of the old War Industries Board. These reside largely

in Section 120 of the National Defense Act of 1916 and were reenacted in Section 9 of the Selective Service Act (BW—Apr. 19'41, p16). These are mandatory powers for procuring defense materials rather than for controlling prices but they have been construed as recognizing that the government can't get efficient production if price levels are not stabilized. So such powers are availed of to keep prices down, although the sanction for non-compliance with price schedules—authority to take over a private plant—is admittedly too severe.

• **Public Support Essential**—Regarded in OPACS as actually of more importance than the power to commandeer is the enlargement of FDR's power, as President and Commander-in-Chief, in time of emergency. That there is an emergency now is an accepted fact. OPACS points out that it hasn't yet approached full use of past wartime powers, professes that it doesn't need or want more statutory authority at this time but is frank in saying that it will need it ultimately. If, as Sen. Taft defines his own position, there's no objection to what OPACS is doing but it should have statutory authority from Congress so to do, OPACS certainly doesn't object. It just thinks Taft is crowding things a bit. Henderson's well-drilled staff declares emphatically

that exercise of price-control authority now and later must rest on public acceptance. OPACS can't deal with widespread refusal to comply and says so. Officials declare that if they can't obtain compliance by public support no law will do it.

Some talk in the steel industry about challenging OPACS' action in freezing steel prices didn't cause Henderson's men to lose any sleep, however. As they see it, the steel people can't test the order except by defying it and they believe that anybody who would do that would pillory himself.

• **Six Schedules So Far**—OPACS insists that it is moving calmly, deliberately, and only after consideration of all factors contributing to actual or incipient price inflation in pivotal commodities. Since May, 1940, it has issued only six price schedules, on: used machine tools, aluminum scrap, iron and steel scrap, zinc scrap, steel, bituminous coal (rescinded). Broader restraint on prices also is imposed by Administrator Henderson's vocal influence but, with the tremendous expansion of the defense program, shortages of material are increasing and pressure on prices is increasing. It is out of the growing stress of the situation that ultimate need for legislation springs.

The object of such legislation, as out-



## PRICE CONFERENCE

Headliners at last week's Defense Conference on Consumer Goods (BW—May 3'41, p32) were Jesse Jones, Secretary of Commerce (left), and Fred Lazarus, Jr., chairman of the Retailers Advisory Committee. The 450 visiting business men—who represented the food, piece goods, men's and women's clothing industries—left town with a

good deal of "advice" about the high desirability of voluntary cooperation to keep down consumer goods prices. The alternative of government price-fixing under Leon Henderson's Office of Price Administration and Civilian Supply made self-discipline a good deal more attractive by contrast. Henderson, as well as Lazarus, urged immediate expansion of productive capacity in consumer goods lines.



# THREE WAYS TO WORK ON THIS PROBLEM OF STEEL

**FIRST...**Place your steel requirements clearly and fairly before your regular source. Explain exactly what you need and *when* you need it. Don't try to get a corner on steel.

**SECOND...**Determine the physical property requirements for each job. List possible substitutions that may be used if necessary.

**THIRD...**Fill your immediate requirements with steel from warehouse reserve stocks. To save time send open orders, as needed sizes may be sold while the quotation is being made. You know this method is entirely safe through the Ryerson one-price policy of many years standing. Naturally, some sizes are missing but we can provide prompt shipment on most all steel products from our nearest plant.

When you have a problem of application, substitution, fabrication or procurement phone, wire or write us. We will be glad to work with you. Joseph T. Ryerson & Son, Inc. Steel-Service Plants at: Chicago, Detroit, Milwaukee, St. Louis, Cincinnati, Cleveland, Buffalo, Boston, Philadelphia, Jersey City.



## BOND SALE

President Roosevelt launched the defense savings program last week by purchasing a \$500 bond from Secretary of the Treasury Henry Morgenthau, appealing to the nation, in a radio address, to follow his example

and so help "pay for arming and . . . for the American existence of later generations." By this week sales were still brisk, and postoffices and banks were reporting the greatest demand for \$25 bonds, 10¢ and 25¢ stamps. Sales goal is \$6,333,000,000 worth of bonds and stamps.

lined by OPACS officials, is not merely to obtain statutory penalties of lesser degree (and therefore more practicable in application than commandeering a plant) but to implement the ability of OPACS to get at the facts, compel disclosure of needed information in any situation. The pattern of such a statute will be similar, in its elements, to the Federal Communications Act, for example. In conjunction with specific authority granted to fix price ceilings and margins, the law which Congress will be asked to enact will provide for hearings, appeals, subpoena, injunction and the usual machinery that goes into every regulatory law. The presumption of constitutionality will be supported by a recital of the law's objectives. These may be loosely described as the necessity of preserving a balanced economy and maintenance of industry for national defense. Throw in for good measure the protection of the general welfare and you've got a law which is expected almost certainly to pass muster in any court in the land.

As for the particular purposes involved, the object is not to fix prices but to freeze them—taking industry as you find it and holding it that way. Accordingly, a lot of procedural rigamarole can be eliminated, according to OPACS, with reference to justification of price-control measures.

## Machine Tool Job

Industry suggests plans for speedup, sees difficulties in way of increasing hours worked in plants at present.

Two days after President Roosevelt appealed for greater speed in defense production, the National Tool Builders Association turned up evidence at this week's spring meeting in Cleveland that the machine tool industry has been rapidly stepping up its output and has plans for squeezing out a still greater volume of machines for defense purposes.

• **A Factory a Day**—In his report as president of the association, Frederick V. Geier, president of the Cincinnati Milling Machine Co., pointed out that over 1,000 machine tools are being delivered to defense plants every 24 hours—enough to equip a good-sized factory. Mr. Geier stated that March production alone totaled \$57,000,000, as compared with \$22,500,000 for all of 1932, and that the 1941 output would be \$300,000,000 over that of 1940, which was around \$450,000,000.

He suggested three methods by which existing machines could be used to accelerate defense manufacture (1) by

operating equipment in all plants more hours per week; (2) by longer non-defense operations on fewer machines to release critically-needed equipment to companies with defense contracts; (3) by better tooling and operating conditions to increase production per machine.

• **Limit on Hours**—Machine-tool builders are concentrating on critical machines, with 98.9% of their workers employed in plants running two or three shifts, and almost all companies on a six-day week. The industry feels that practical difficulties bar the road to operation of plants around the clock seven days a week. For one thing, many men refuse to work long hours without some respite; hence, it would be hard to recruit a force for Sundays, even with the overtime pay. Employers add that the workers need vacations this summer after the long hours of the past year but say that any time lost because of a week's stoppage will be more than made up quickly by the resulting increase in efficiency.

Suggestions that plants now on two long shifts (55–60 hours a week each shift) go over to three eight-hour shifts, seven days a week raise questions on the difficulty of finding trained manpower, the effect of the dislocations in production that would be brought about during the period of change, the lack of foremen and department heads. Also there's a problem in asking men who have been working 60 hours with overtime at time-and-a-half to accept the lower wages resulting from working shorter hours.

Some of those at the Cleveland meeting added that a large percentage of employees don't see the emergency in terms of war, aren't "steamed up" about saving England, or, for that matter, about the necessity for arming ourselves at break-neck speed.

• **Draft Problem**—Washington assures the machine tool industry that it will have all it can do, even operating at \$750,000,000 a year or better, until the end of 1942. In the effort to secure higher production, the industry was urged by Tell Berna, association general manager, to make clear to district draft boards the need for deferment of their younger mechanics, citing Mr. Roosevelt's statement that it would be unfortunate to turn skilled operators into artillerymen and infantrymen.

## MORE CATTLE BY TRUCK

Trucks were used last year to transport 7,772,000 tons of livestock from farms to terminal markets, according to the Corn Belt Farm Dailies, publication of the livestock industry. This total exceeded 1939 by 1,310,000 tons. It is estimated that 63.7% of all livestock received at the markets last year arrived in trucks, as compared with 56.4% in 1939.

# New INTERNATIONAL Trucks



## NEW HEAVY-DUTY POWER, PERFORMANCE, ECONOMY



The new cabs are designed for highway safety, driver-efficiency and driver-comfort. Foam-type rubber seat cushion, adjustable seat back, generous head and leg room. All-steel construction, safety glass all around.

HERE'S a new view of America's favorite\* heavy-duty truck — completely redesigned and geared for the extraordinary demands of 1941. This year, trucks and the highways on which they roll assume a new importance in the nation's No. 1 job — National Defense. The New Internationals are superbly fitted for today's transportation needs.

One look and you see modern streamline styling at its best. Put these new Internationals to work and you get a new idea of *performance, power and stamina—and unbelievable operating economy.*

These new K-Line Internationals have new Hi-Tork hydraulic brakes for smooth straight-line stops—no grabbing,

fading or squealing. New, easier steering for greater safety and tireless handling. New, improved frame construction; new, rugged rear axles; and new, longer, easy-riding springs. And powerful, 6-cylinder, valve-in-head engines designed and built by International to lick the toughest jobs.

The new International line includes all sizes from the ½-ton delivery up to powerful 6-wheelers. Write for catalog.

**INTERNATIONAL HARVESTER COMPANY**  
180 North Michigan Avenue Chicago, Illinois

**FREE MOVIE—"SINGING WHEELS"**  
Thrilling 22-minute feature produced by Motor Truck Committee, Automobile Manufacturers Association. Now ready for club and organization meetings. Write to Harvester.

**\* For ten years more heavy-duty Internationals have been sold than any other make**



## Television Go-Sign

But FCC authorization of commercial programs, effective July 1, finds industry in poor position to do anything.

The television industry this week found itself in a position exactly reversed from that of a year ago. In April, 1940, several manufacturers, the Radio Corporation of America in particular, had readied themselves for a big push to put television over to the consumer. The government, however, in the person of the Federal Communications Commission, clamped on the lid by rescinding an order permitting

commercial operation as of September 1, 1940.

Last week, just 13 months later, the FCC gave its blessing to commercial television, stating that sponsorship of programs would be permitted as of July 1, 1941. But the industry finds itself in a very poor position to do anything about it. Lack of materials, particularly aluminum and nickel, already threatens to cut production of ordinary radio sets in half this year, and television production is hardly a welcome prospect under such circumstances.

• **Engineers on Defense**—More serious is the fact that television engineers in nearly every plant have been transferred to defense projects because they are a hand-picked group of pioneering specialists with training admirably suited to the development of new ideas, particu-

larly those dealing with very short waves. New designs for television production in the fall can be had only if these men are transferred from defense work, which seems highly unlikely.

As an alternative, last year's designs may be put back into production with a minimum of development work. Fortunately, the television transmission standards adopted by the FCC are not radically different from those in vogue a year ago, so some manufacturers may be able to get into production of last-year models without disrupting their military and naval researches.

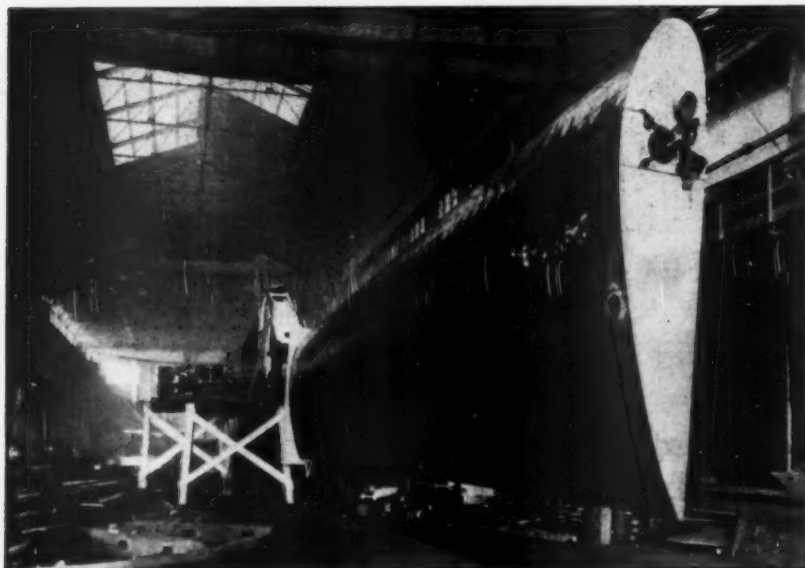
• **The Broadcasting Situation**—Whether or not any demand for television receivers will exist after July 1 depends on how many broadcasters decide to take advantage of the commission's go-ahead signal and go on the air on a



## WINDMILL ON A VERMONT MOUNTAIN TOP

On Grandpa's Knob, a 2,000-ft. mountain near Rutland, Vt., stands a 110-ft. steel tower (left), which will soon be supporting the world's largest windmill—a gigantic affair with two 65-ft., streamlined, stainless-steel blades (left, below). Built under the financial sponsorship of S. Morgan Smith Co., York, Pa.—to the designs of Palmer Coslett Putnam, Boston engineer and inventor—the wind turbine will feed 1,000 kw. into the power lines of the Central Vermont Public Service Corp., enough electricity to light five 100-watt lamps apiece for each of 2,000 families. Below, right, Central Vermont's superintendent of power, W. Belding; Inventor Palmer Putnam; and S. D. Dornbrier,

engineer, discuss the layout with F. A. Annett, associate editor of *Power Magazine*. The project is the first attempt to operate a wind-driven generator in parallel with a public utility system. Principal problem is to provide a wind-power generating unit with accurate speed regulation—despite wind velocities varying from a zephyr to a gale which, without suitable controls, would jump the output from 1,000 to 3,000 kw. in less than three seconds, seriously overloading the direct-connected generator. Models have been tested in laboratories. Results convince backers that the idea will work, though no one will know for sure until the mill goes into operation "sometime this summer."



# "Teletalk...is one of our most essential fixtures"



Mr. D. E. Smalley, Secy.  
Continental Car-Na-Var Corp.



January 15, 1941

Deleter Electric Company  
Racine, Wisconsin

Gentlemen:

Occasionally one of our customers voluntarily writes us a letter praising the quality of our floor finish and the expressions from users of our products and on the assumption that you feel the same, we write you as follows:

We have had your Teletalk System in use for nearly a year and can truthfully say it is one of the few installations of equipment in our experience that has done everything expected of it every moment of its operation. It has never failed or even floundered in a single instance.

The ten master-station installation we bought from you actually replaced a competitive system we had tried previously with great disappointment. We were a bit skeptical about yours and insisted upon guarantees we never needed.

Our Teletalk System, which keeps us in constant and instant touch with every department of our office and factory, is one of our most essential fixtures.

Yours truly,  
CONTINENTAL CAR-NA-VAR CORPORATION  
D. E. Smalley  
General Manager



Mr. J. H. Longshore, Pres.  
Continental Car-Na-Var Corp.

The Continental Car-Na-Var Corporation, Brazil, Indiana, is the largest manufacturer in the world specializing in finishes and machines for large floor areas. Its plant consists of three separate buildings. Like many other manufacturers, this company found that considerable confusion, loss of time and wasted energy resulted from the necessity of frequent trips between the buildings of the plant.

And as more and more companies are doing, Continental Car-Na-Var Corporation installed an intercommunication system. But, also like many companies, they found the system they chose, to be unsatisfactory. So, again, like many other companies, they replaced this system with a Teletalk

contact each other or any part of the plant by amplified voice intercommunication. The receptionist can secure immediate answers to questions asked by callers and inquiries over the long distance phone can be answered without delay.



Machine Shop

duce errors. You can actually save money by installing a Teletalk system that really fits your requirements. A wide range of models to choose from.



Printing Department

system consisting of ten stations. Their satisfaction is excellently expressed in the voluntary letter reproduced above.

Now, any one of five executives of the company can

You, too, can speed up daily office and plant routine with Teletalk. You can save time. You can conserve your employees' energy. You can re-



Receptionist

Installation cost is little; operating cost, negligible. Any Teletalk representative or distributor will survey your office or plant.



Teletalk permits the combination of Intercommunication, Paging, Signaling and Sound Distribution in one compact system.  
Licensed by Electrical Research Products, Inc., under U. S. Patents of American Telephone and Telegraph Company and Western Electric Company, Incorporated  
WEBSTER ELECTRIC COMPANY, Racine, Wis., U. S. A. Established 1909. Export Dept.: 100 Varick St., New York City. Cable Address: "ARLAB", New York City

## WEBSTER ELECTRIC

"Where Quality is a Responsibility and Fair Dealing an Obligation"

MANUFACTURERS OF TELETALK INTERCOMMUNICATION AND PAGING SYSTEMS • POWER AMPLIFIERS AND SOUND DISTRIBUTION EQUIPMENT • RADIO PHONOGRAPH PICKUPS • IGNITION TRANSFORMERS AND FUEL UNITS FOR OIL BURNERS



## CARGO CONTAINERS

For its nightly all-cargo trip from New York to Chicago, with intermediate stops, United Air Lines flies a conventionally equipped passenger ship (BW—Jan. 4 '41, p. 24). Making the plane suitable for cargo used to require a full day's work, plus a lot of fancy packing and lashing to keep the express packages from shifting around—until combination seat covers and cargo containers were developed by

the line's engineers. These are made at United's Cheyenne shops, where a dozen more are now on order. With them, it is possible to ready a ship for cargo in 21 min. The bags are of canvas, braced with battens, and bound with buckle straps of webbing. Each bag exactly fits the space between one seat and the next; it fastens to the rear seat's belt and the forward seat's back. Once filled to its capacity of 45 cu.ft., or about 350 lb., the bag is fastened with straps for the journey.

commercial basis. The only station completely equipped to do so is the NBC transmitter in New York, which is currently on the air with experimental programs. Two other New York stations, owned by CBS and by the DuMont Laboratories, and other stations in Los Angeles, Chicago, Albany and Boston may also be ready by July. The FCC's rules specify a "reasonable minimum" of fifteen program hours per week for each station.

Competition between stations, most likely in New York, might easily develop a larger number of hours within a few months. Several prominent advertisers have already approached television broadcasters, and there seems little doubt that sponsored programs will be available in abundance, although the card rate will be much too low to meet expenses at first.

• **New Standards**—The commission's favorable action in commercializing the sight-and-sound broadcasting may be traced to a lot of hard work put in quietly during the latter half of 1940 by the National Television System Committee, a group of 170 experts assembled by the Radio Manufacturers Association. The transmission standards proposed by the N.T.S.C., and last

week officially adopted by the commission, represent almost unanimous agreement on questions which last year had the industry at loggerheads.

The use of FM "staticless" broadcasting for the sound accompanying the pictures, an increase in the number of lines in each picture from 441 to 525 (which, however, does not represent a proportionate increase in the detail of the picture because the ether space given to each station has not been increased), and improvements in the synchronizing of the pictures are the principal differences between the new standards and those in use a year ago. The biggest contribution was the unanimity of the recommendations which convinced the commission that there was no further point in holding up the art.

• **Looking Ahead**—The government is known to be interested in television's future progress, because it represents one of the few new consumer goods industries which may help take up the slack of the much-feared post-war depression. Whether it fulfils this promise depends on the willingness of the broadcasters to make a heavy investment, and on the ability of set manufacturers to find needed reserves of engineer-power and materials.

## DC-3 in the News

Congress move creates a mistaken impression, offset by government's own eagerness to get planes of this type.

Newspaper readers last week were confronted with two stories which, to non-technical minds, carried exactly contradictory implications as to the merits of the Douglas DC-3, the standard airline transport plane.

On the one hand, it was reported that Congress had been airing testimony about a four-year-old report of the National Advisory Committee for Aeronautics on the stalling characteristics of the DC-3.

On the other hand, it was reported that the President had instructed the Secretary of Commerce to gather any of these planes (already highly valued by the War Department) that could be obtained from private sources for immediate sale to Britain and other lease-lend countries.

• **What It Means**—Here is the background needed for an understanding of the two dispatches:

That airplanes with tapered wing tips are faster and more efficient than other types, but have undesirable stalling characteristics under certain conditions of flight, which the pilot can control, is not news to aeronautical engineers. Much research has been devoted to the wing-tip problem. But the cold fact is that most modern airplanes have tapered wing tips because of their higher aerodynamic efficiency, and pilots maintain safe flying conditions by the simple expedient of avoiding stalls.

• **No Connection With Accidents**—What the report emanating from Congress failed to make clear was that there was no discernible connection between the stalling characteristics of the DC-3 and recent accidents. That all the planes involved were DC-3's is not significant because this type of airliner is used almost exclusively on the domestic airlines. It was used almost exclusively during the 17-month period in which the airlines set their non-fatality record.

Millions of passengers have been carried hundreds of millions of passenger miles by DC-3's in perfect safety, and an Army transport version of the same design has been ordered in large numbers for our expanded air forces.

• **Not Enough of Them**—The real trouble about DC-3's is their scarcity. A couple of months ago the Army pre-empted more than 40 which had been ordered by the airlines from the Douglas production lines. They were believed by the War Department to be urgently needed for parachute troop training and Army transport work, including



# TOWERS OF STRENGTH

*Grow Mightier with Air Conditioning*

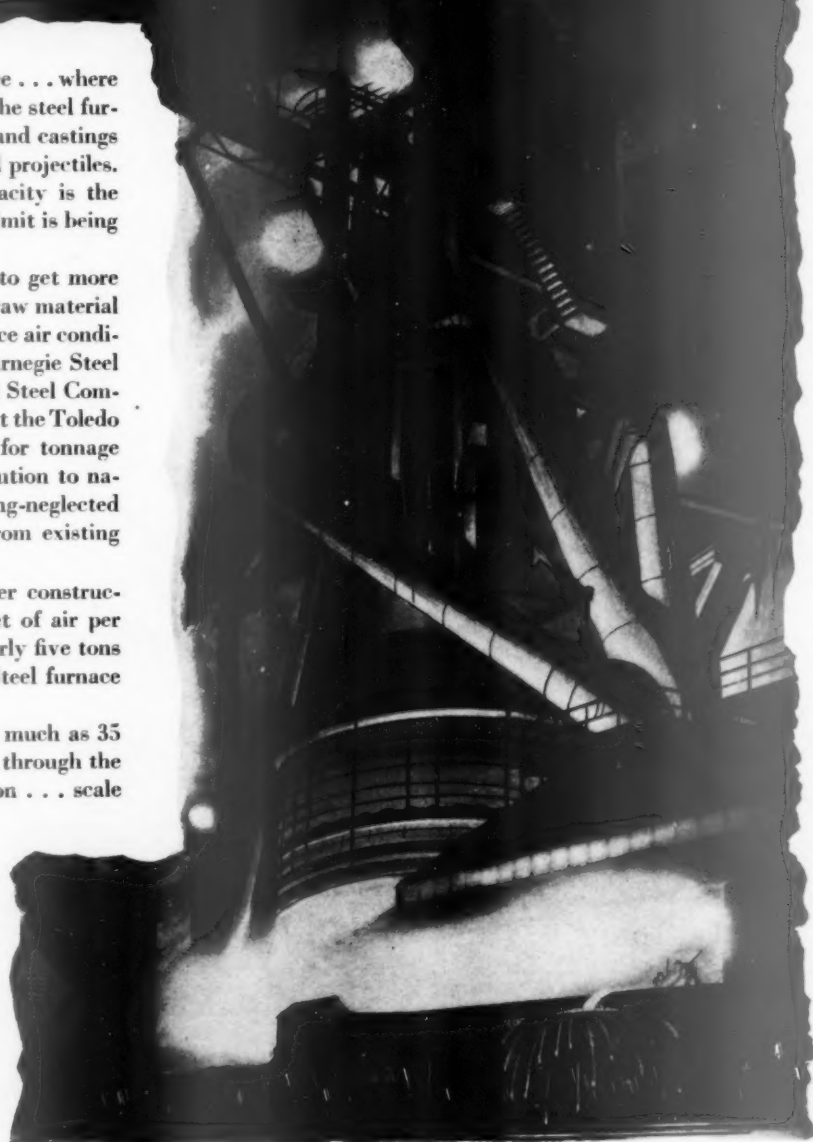
DEFENSE begins at the blast furnace . . . where ore is reduced to molten iron for the steel furnaces which in turn supply the billets and castings for guns and tanks and battleships and projectiles. Truly, the limit of blast furnace capacity is the limit of defense production. And that limit is being expanded thanks to air conditioning.

Engineers discovered long ago how to get more tonnage of higher grade iron from less raw material . . . and York demonstrated blast furnace air conditioning at the Isabella plant of the Carnegie Steel Co., in 1904, at the Warwick Iron and Steel Company's Pottstown furnace in 1907, and at the Toledo Furnace in 1908. Today, in the race for tonnage against time, York's mightiest contribution to national defense may prove to be this long-neglected discovery of how to get more steel from existing furnace capacity.

Newest York installation, now under construction, will dehumidify 55,000 cubic feet of air per minute, providing a "dry blast" of nearly five tons of air per ton of iron for a Republic Steel furnace at Birmingham, Alabama.

Here, York equipment will wring as much as 35 tons of water a day from the air blown through the furnace tuyeres . . . step up production . . . scale down coke consumption . . . insure more uniform high quality.

Truly, if York air conditioning can increase steel production as well as doing all the jobs you expect it to do . . . there must be a place for it in your establishment! York Ice Machinery Corporation, York, Pennsylvania.



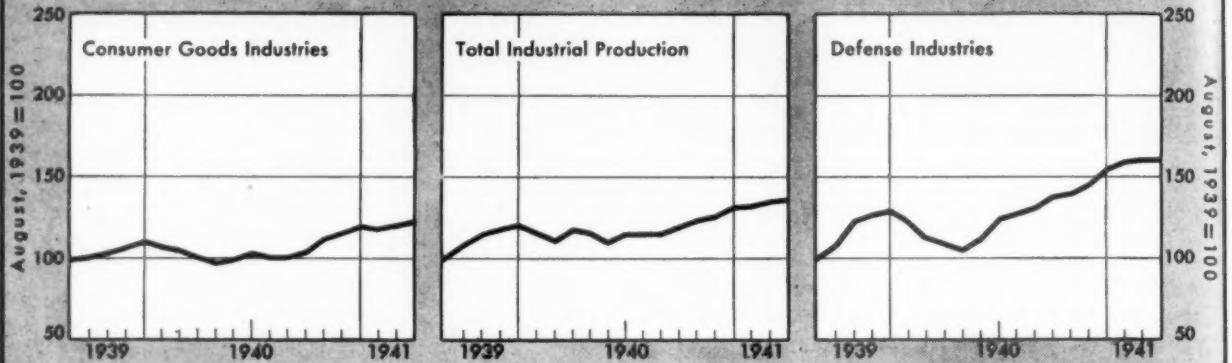
## YORK REFRIGERATION AND AIR CONDITIONING

*"Headquarters for Mechanical Cooling Since 1885"*

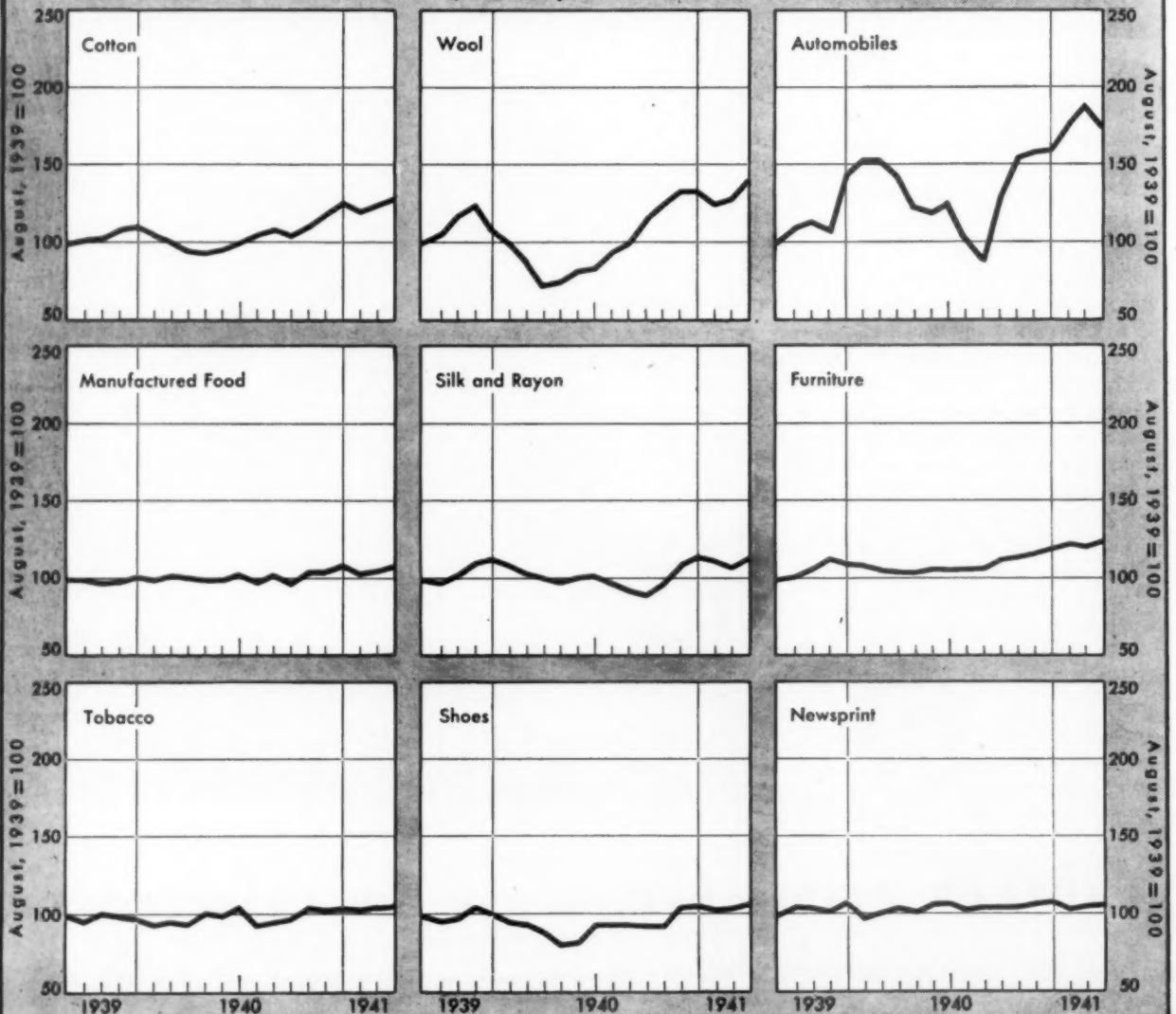
A FEW OF THE MANY NATIONALLY-KNOWN USERS OF YORK EQUIPMENT—American Air Lines • Armour • Bethlehem Shipbuilding • Borden Canada Dry • Coca-Cola • Cudahy Packing • Curtiss-Wright • du Pont • Eastman Kodak • Firestone • Ford • General Baking • General Foods • General Motors • Goodrich • Gulf Oil • Norton Company • Pabst Brewing • Paramount Pictures • Pennsylvania R.R. • Republic Steel • Shell Oil • Socony-Vacuum • Swift • Texas Company • United Fruit • U. S. Army • U. S. Navy • Woolworth

# INDUSTRIES REACT DIFFERENTLY —

## General Industrial Summary



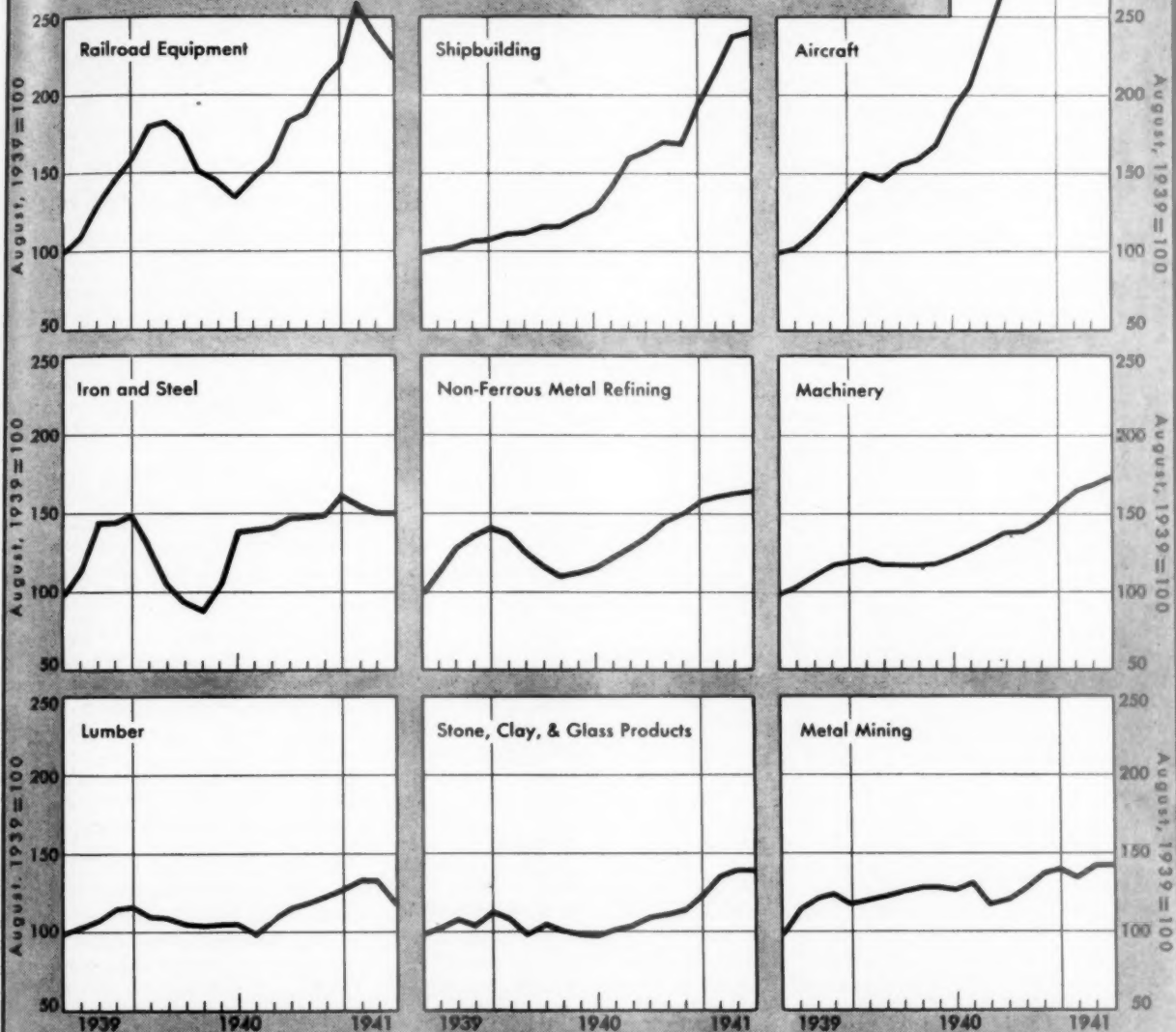
## Consumer Goods Industries (primarily)



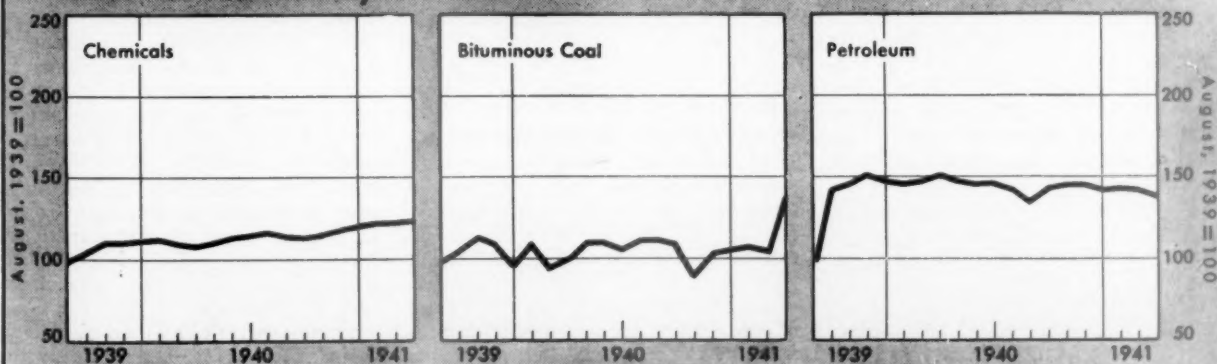
Data: Federal Reserve Board.

# -TO WAR PRODUCTION BOOM

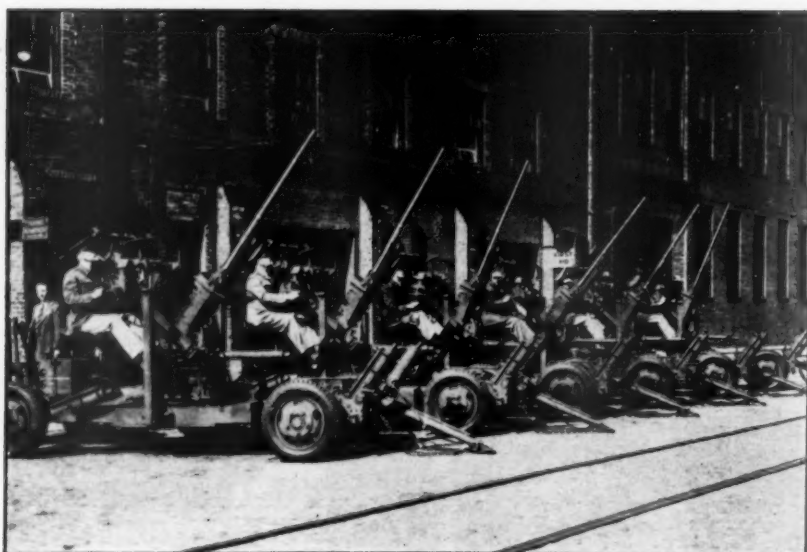
## Defense Industries (primarily)



## Industries Not Readily Classifiable







## FOR AIR DEFENSE

Further proof that national defense is getting into the production stage was the celebration held last week at the Baltimore, Md., plant of the Bartlett Hayward Division of the Koppers Co., where Army ordnance officers

accepted the first 37-mm. anti-aircraft gun carriages ready for delivery from Koppers. When the mobile mounts are equipped with anti-aircraft guns (as they are above), the unit weighs 5,500 lb. Guns for these units fire 150 rounds a min.; take 2-lb., high-explosive shells; have a range of 5,000 yd.

operation of the Air Corps freight lines (BW—Apr. 12 '41, p. 44).

The lease-lend consignment that the President asked the Secretary of Commerce to scrape up is to include any modern planes owned but not urgently needed by the airlines or by private owners, or any planes that were in production but not allocated to particular purchasers. Negotiations are now under way for government purchase of 50 planes from the airlines, 20 from private owners, and 30 from manufacturers. Those from the airlines are not DC-3's, but DC-2's, the 14-passenger predecessor of the DC-3, and Boeing 247-D's, which are 10-passenger twin-engined transports of the same vintage as the DC-2. Those from private owners and manufacturers will include DC-3's and Lockheed Lodestars.

• **Assurance to Airlines**—Meanwhile, the airlines have been assured that they will have sufficient equipment to handle their expected 25%-30% increase in traffic for 1941. Part of the increase is the normal increment, part is due to the new air travel installment plan, but most of it can be charged to the acceleration of the defense program. It is probable that by rearrangement of schedules for still more intensive use of available equipment (although the average domestic airliner flew 10 hr. per day in 1940), and by deliveries of some new airplanes allocated to the lines, present standards will be main-

tained and provision made for the increased traffic.

• **New Equipment**—A glimpse of the next step in airline equipment may be had from a brief paragraph in the Thirteenth Annual Financial Report of Pan American Airways Corporation. The paragraph stated that 40 new four-engined planes on order would have "speed, range, and carrying capacity superior to any transport aircraft known to be planned for production either in this country or abroad." These were ordered in addition to six Boeing 314-A Clippers, 14 Douglas DC-3A's, and six Lockheed Lodestars.

The report also stated that of the ships on-order, two Boeing 314-A Clippers, eight Douglas DC-3A's, and six Lockheed Lodestars had been delivered to PAA in 1941 and that three Boeing 314-A Clippers were being transferred to Britain. These ships will probably be used to expedite the return of pilots ferrying bombers over the North Atlantic.

• **For Atlantic Service?**—There was much speculation about the new four-engined ships and Pan American refused to release further information regarding the type, manufacturer, or the service in which they were to be placed. There is sufficient evidence, however, to deduce that they are 43-ton land planes of a design that has been under development by Lockheed and it is reasonable to believe that some of them will be

used in nonstop, 12-15 hour operation across the Atlantic.

• **Land Planes for Sea Use**—Probably the most interesting aspect of the situation from an operating standpoint, is the evident decision of Pan American to use large landplanes in transoceanic service. The question of landplane vs. seaplane for long over-water flight has been the subject of much controversy among operators and engineers.

## Drugs and the War

U. S. figures are cited to show that prices are in line. Industry held ready to meet all requirements of defense.

In the face of a 3% advance in the general U. S. price index, government figures show that drug index prices have gone up only 1% to 14% and industry figures show that leading trade-marked drug items are now retailing to the general public at 1% less than they were two years ago.

These facts were laid before the American Drug Manufacturers Association at its annual convention this week by Dr. E. L. Newcomb, executive vice president of the Wholesale Druggists Association. They provide the industry's answer to any public suspicions about profiteering which may have been aroused by published reports—emanating from Leon Henderson's price control division—of price increases running up to 1,000% on some crude drugs.

• **Supply Problems**—In corridor and cocktail conversation, drug men voiced confidence in their ability to justify drug prices, if the occasion ever arises. In the field of botanicals, price increases were justified on the ground of increasingly difficult supply problems.

Drug men were warned against going overboard on projects designed to grow European botanicals in the Western hemisphere. It was pointed out that a lot of good work can be done in this field and that efforts have been started in this direction, but warnings were issued against the enthusiastic approach being taken by some farm publications.

• **Not an Easy Road**—It was pointed out that the growing of botanical drugs does not provide an easy road to riches for the farmer and that projects should be undertaken only after careful planning in which experienced industry men must participate. In the main, growing of botanicals in the Western Hemisphere means a sudden shift of plants from their natural habitats to unfamiliar soils and climates.

At present, there is no scarcity of digitalis; the United States can supply a major portion of its ergot needs; and

## Industry "Rolls Over" When She Arches Her Eyebrow!

THE PART THAT  
MALLORY PLAYS



**A**LADY'S EYEBROW becomes a very expressive index to product approval . . . or oblivion. Many an industrial tycoon has benefited through his skill in reading this subtle signal. Automobile-makers put power under the hood to suit a male demand. But power notwithstanding, few of us have ever owned the make or model that "she" did not approve.

So, to the manufacturer who has learned to read and heed the feminine eyebrow we say: The part that Mallory plays may prove to be a life-saver. Or at least a product-saver.

Take the problem of design, for automobiles or airplanes. Or ash-trays, lamps, refrigerators, washing-machines . . . what do you make? Nothing has contributed more to streamlined beauty than the scope and flexibility of fabrication permitted by resistance welding.

No one has contributed so much to resistance welding electrodes as Mallory. Mallory's program of standardization in welding tips, wheels, and dies has effected pronounced economies in the manufacture of practically every type of product that involves the joining of two or more pieces of metal.

Take the problem of function, for electrically operated or actuated products and devices . . . radios, washing-machines, vacuum cleaners, refrigerators, taxicab meters, adding-machines, or whatever. Mallory is an important contributor in all electrical, electronic, and radio fields.

The great majority of auto radios include Mallory-made vibrators as original equipment. More than ten million FP Capacitors, made by Mallory, are at work today in the radio sets manufactured by the nation's leaders. Mallory-developed time-cycle

switches will be found in automatic washing-machines. Electrical contacts and contact assemblies will be found in practically every kind of product you operate by pushing or turning a button.

Yes, Mallory services are numerous. If, perchance, you feel that your problem is not "weighty" enough, we'd like to point out that the young lady here uses eyebrow-tweezers that are less expensive, today, because of resistance welding. P. R. Mallory & Co., Inc., Indianapolis, Ind. Cable Address—Pelmallo.

# MALLORY

SERVES THE AERONAUTICAL, AUTOMOTIVE, ELECTRICAL, GEOPHYSICAL, RADIO AND INDUSTRIAL FIELDS WITH . . . ELECTRICAL CONTACTS, WELDING ELECTRODES, NON-FERROUS ALLOYS, POWDERED METAL PRODUCTS AND BI-METALS . . . RECTIFIERS, DRY ELECTROLYTIC CAPACITORS, SPECIAL HIGH RATIO ANODE PLATE CAPACITORS, VIBRATORS, VITREOUS RESISTORS, POTENTIOMETERS, RHEOSTATS, ROTARY SWITCHES, SINGLE AND MULTIPLE PUSH BUTTON SWITCHES, POWER SUPPLIES, BATTERY BOOSTERS AND CHARGERS

## Defense Business Checklist

• **Vacation Bonuses**—The OPM recommends that defense industries pay bonuses to workers who voluntarily forego vacations. The policy applies only to private employers having vacation plans, and contemplates bonus payments equivalent to what the workers would otherwise receive during their vacation periods. Vacations that are allowed should be staggered through the period from May 30 to Aug. 31, it is urged.

• **Price Amendment**—Price Schedule No. 2, which established maximum prices for aluminum scrap and secondary ingot, was amended, effective May 5, to forestall attempts to use it as an excuse for charging maximum prices for aluminum scrap which doesn't meet maximum standards. The maximum price at which a maker may sell old sheet and utensils is lowered from 12¢ to 11¢ per pound. This is the only change made in the maximum price schedule on scrap or secondary ingot, but differentials proportioned to the percentage of dirt and moisture must be observed when the material does not meet standards for highest quality, clean, dry, scrap sold in carload lots.

• **Farm Income**—Price Administrator Henderson is now on record that the Office of Price Administration and Civilian Supply will support the Administration's policy of increasing farm income. This will be done by attempting to forestall increases in farmers' costs, as in Henderson's request to farm machinery makers not to increase prices, and by giving farmers a long-time guarantee of minimum prices, as in the case of pork, dairy, and poultry products, on which the government underwrites the risk of expanding output in order to assure adequate supplies (page 44). Henderson declares this policy parallels that followed by the government in minimizing the risk to industry of plant expansion for defense purposes, either by putting up the money or reimbursing the manufacturers for the cost of facilities.

• **Housing**—Allocations were made for 4,482 new dwellings, construction contracts were awarded for 2,224, and completions were reported for 927 during the week ending Apr. 26, according to C. F. Palmer, Defense Housing Coordinator. Allocations were: Vallejo, Calif., 1,600, Federal Works Agency; Macon, Ga., 465, United States Housing Authority; Key West, 50, Navy; New London, Conn., 300, FWA. Total of allocations now made is 77,435 units, in 141 localities of 47 states and territories. Units now under construction contract total 54,139, in 119 localities of 44 states and territories.

• **Wool Clip**—The Tariff Commission is making an investigation, at OPM's request, to determine whether costs of 1941 wool clip are higher than 1940 costs. Object is to get a line on the request of domestic growers that last season's price differentials between foreign and domes-

tic wool be increased. . . . Ceiling prices for combed cotton yarn will be imposed in the near future if current levels are not corrected, Price Administrator Henderson warns. . . . OPM reports that buying now under way will not be disturbed by any reasonable increase in the rate of mobilization. With the recent purchase of 750,000 sheets, the Army will not be in the market during the next six months. . . . Price ceilings applied to bituminous coal during the strike were rescinded Apr. 30.

• **Bauxite**—According to a new survey by the Bureau of Mines, domestic production of bauxite could be stepped up threefold in two months, and five-fold in four months, in case an emergency disrupted imports from Dutch Guiana. At present, about 60% of all bauxite is imported from Dutch Guiana, but production from Arkansas fields could be increased rapidly by changing operations from a one-shift to a three-shift basis. If all present demands were focused on Arkansas, the supply would last only a few years.

• **Nipping Speculation**—Leon Henderson and the Commodity Exchange of New York have "agreed" on a program to limit, perhaps eliminate, trading in copper futures. Real import of the move is that it puts a price ceiling on the so-called outside market for the metal. The Commodity Exchange now will ban all transactions in copper futures above 11½¢ a lb. This trading involves "standard" copper (priced about 1¢ a lb. under electrolytic) which has been the medium for transactions in the outside market for the red metal.

This is what happens to commodity markets under conditions of price control but it's less severe than the action which closed the zinc futures market.

• **Contracts and Orders**—Another big boost was given to the airplane production program last week when the Office of Production Management approved a \$43,521,300 contract with the Douglas Aircraft Co., Santa Monica, Calif., for airplanes and parts, and a \$17,201,352 contract with the Boeing Aircraft Co., Seattle, Wash., also for planes and parts. In addition, OPM cleared a \$1,749,639 contract with the Pratt & Whitney Aircraft Division of United Aircraft Corp., for aircraft engines. Another major contract of the week was the award of a cost-plus-fixed-fee contract totaling \$21,216,471 by the Navy Department to General Electric for manufacture of ordnance equipment. In addition, the Navy made a \$2,500,000 award to the Aberthaw Co., Boston, for the construction of a dry dock at the Navy Yard at Portsmouth, N. H.; the War Department issued orders to proceed with construction of a 1,000-bed, \$1,713,500 hospital at Springfield, Miss., pending formal approval of a contract by the Undersecretary of War; A.C. Spark Plug and Champion Spark Plug got orders totaling \$2,568,991 for spark plugs for the Army.

substantial supplies of henbane, belladonna and stramonium will be available in the not-too-distant future.

• **Scientific Advances**—Industry stress was placed on recent research and scientific developments which have changed the whole drug picture. Instead of depending on imported botanicals for medicinals, modern advances in the synthetic, chemotherapy, and biological fields have provided the drug industry with a majority of its essential commodities. One of the Army men who addressed the convention's national defense forum asserted that one manufacturing establishment could supply the nation's entire military drug needs with only slight changeovers in techniques.

None of the Army or Navy men present indicated any concern over the ability of the drug industry to meet all military, export, and civilian needs.

## New Plastics Plant

It's pretty spectacular, but so is the forty-year story of Monsanto's expansion in the chemical industry.

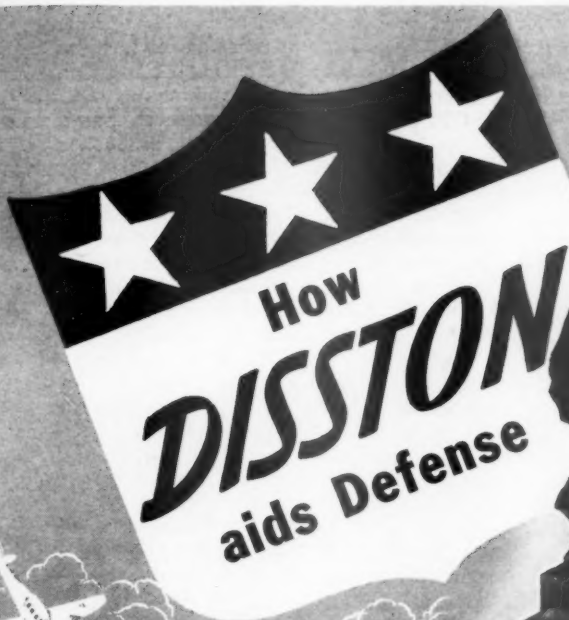
If one of Hollywood's film companies were to produce a technicolor picture involving an industrial plant, an ideal set could be found in Springfield, Mass. In that city last week the Monsanto Chemical Co. officially opened a new plant, for production of its Resinox plastic molding materials, that is slick as a whistle and a riot of color throughout.

Perhaps the brilliant orange that alternates with aluminum as the predominant paint scheme is primarily decorative. The functional names stenciled on the various kettles, grinders, screens, ball mills, etc., add a decorative touch of black but at the same time serve an eminently practical purpose. Finally, utility rather than decoration becomes the primary motive when you come to the piping where hot and cold water lines, steam pipe, vacuum pipes, and so on have their own distinctive colors.

• **From 1901 to 1941**—When Monsanto opened this plant, it passed another milestone among many that have marked the tremendous growth of the company under the guidance of Edgar Monsanto Queeny and his father, the late John F. Queeny, before him. The story dates back 40 years. John Queeny founded the company with capital of \$5,000 in 1901, gave it his wife's maiden name, and began the manufacture of saccharin as his first product.

The company was in the red for the first few years, didn't hit \$100,000 of net income until 1914. It boomed during the World War, earning net





Disston's major contribution to national defense is the faster, more efficient production made possible by the use of today's superior Disston saws, files, knives and other tools.

In the vital airplane industry, for example, manufacturers of planes and parts are speeding output by using more than a dozen different Disston products . . . from files and hack saw blades to tool bits and knives. In lumber mills, oil fields and shipyards, in plants making steel and chemicals and containers, blankets and uniforms and machinery, shoes and radios and electric motors . . . in every phase of our industrial system . . . production is going ahead more swiftly and smoothly because of Disston tools.

Disston is also a leading producer of special steels for ordnance use . . . light armor plate for gun carriage shields, scout cars, airplanes, combat cars, light and medium tanks and small naval craft . . . electric steel forging ingots for 37 mm. gun barrels . . . and special alloy bar steels for 37 mm. projectiles, rifle and machine gun barrels.

Whether you're busy on defense orders or not, let Disston engineers survey your needs. They can show you how to increase output and cut costs. For details, write to Henry Disston & Sons, Inc., Philadelphia, Pa., U.S.A.

#### BREAKING THE BOTTLENECK

The machine tool industry, often called the "bottleneck" of the defense program, is speeding production with such Disston products as:

- |                              |                  |
|------------------------------|------------------|
| Files                        | Tool bits        |
| Hack saw blades              | High speed steel |
| Metal band saws              | Chisel steels    |
| Metal slitting saws          | Die steel        |
| Inserted tooth metal saws    |                  |
| Valve plates for compressors |                  |
| Steel ways for lathes        |                  |



**THINGS SURE  
STARTED MOVING  
WHEN WE  
PUT IN PROPER  
VENTILATING  
EQUIPMENT**



## Clear the Air of Smoke, Steam, Dust, Excessive Heat with **EMERSON-ELECTRIC EXHAUST FANS**

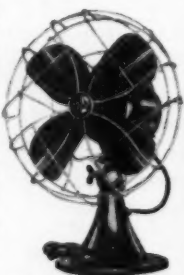
For big, air-moving jobs, select from 24-inch, 36-inch, 42-inch or 48-inch belt-driven models, with capacities up to 20,000 C. F. M. For other



jobs, there are 5 sizes, 12 to 30-inch, direct-drive models. No matter what the ventilation requirements, Emerson-Electric has the fan equipment exactly suited for your business or industrial applications. Write today for booklet "How to Select Emerson-Electric Exhaust Fans," No. 345.

## **NEWLY STYLED, QUIET, PARKER-BLADE FANS** *New Reduced Prices!*

Today, the Improved Ultra-quiet Parker-blade Fans, in the new, streamlined design at lower prices, make these nationally famous Emerson-Electric Fans the greatest values in our entire 51-year history, and in addition, they carry the Emerson-Electric 5-Year, Factory-to-User Guarantee. Get full information at once—write for Bulletin, No. 346.



THE EMERSON ELECTRIC MFG. CO.  
Chicago • ST. LOUIS • New York

**EMERSON-ELECTRIC**  
MOTORS • FANS • APPLIANCES

**LEADERS IN THE ELECTRICAL  
INDUSTRY SINCE 1890**

income of \$900,000 in 1916, but it was back in the red in 1921. Thereafter began the growth that was to become so marked after Edgar Queeny, not yet 31, succeeded his father in the presidency in 1928.

• **Volume Hits New High**—In 1928, the company had four plants, assets were \$12,000,000, volume was \$6,000,000. Today it has plants, sales offices, and warehouses all over this country, in Canada, in England, and in Mexico. Volume in 1940, at \$51,000,000, broke all its old records, and assets stood at \$78,000,000.

Much of the expansion was through mergers. At the same time the company has made a reputation for intelligent research and exploitation of its own products (not to mention \$35,000,000 of invested capital added for expansion and working capital from 1936 through 1940). Guiding philosophy of Edgar Queeny's management, whether acquiring new companies or expanding Monsanto's own lines, has been to avoid types of products that somebody else was making economically. Hence Monsanto has consolidated non-competing properties, researched products for which there seemed a crying need.

• **Production Man**—One of the mergers—with Merrimac Chemical—brought Charles Belknap, ex-Navy officer and a production expert, to Monsanto. As executive vice-president and chairman of the executive committee, Mr. Belknap is primarily responsible for production and research while Mr. Queeny watches sales and finance.

In recent years the company has vastly expanded its range of products. One field, plastics, has been prominent with items like a transparent packaging material, phenolic molding powders,

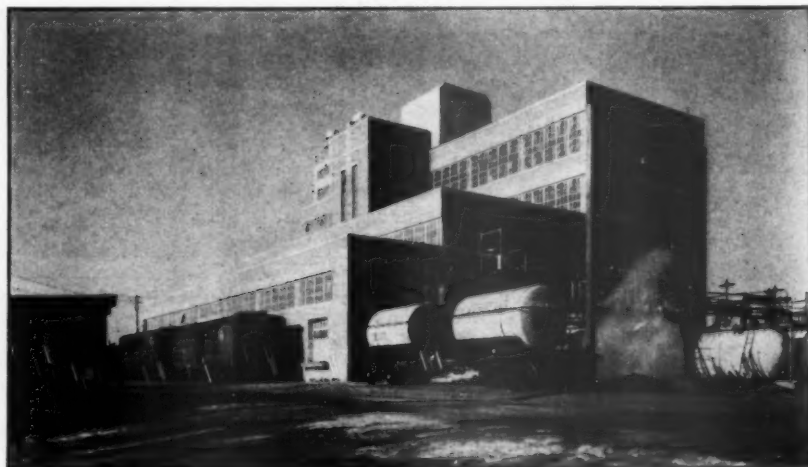
and a vinyl acetal plastic for safety glass among its manufactures.

• **Elemental Phosphorus**—Probably the most striking of Monsanto's achievements, however, was the development of large-scale production and utilization of elemental phosphorus, for which the company won Chemical and Metallurgical Engineering's award in 1937. This stemmed from an electric-furnace ferromanganese enterprise started at Anniston, Ala., during the last war. Later it was devoted to production of phosphoric acid.

In 1935, this enterprise was taken over by Monsanto. A pilot plant was set up and successfully produced elemental phosphorus from phosphate rock. There followed a detailed program of research, and shortly Monsanto bought 2,000 acres of phosphate land near Columbia, Tenn.

• **New Sintering Process**—Meanwhile, Monsanto men, working in Anniston, had developed a sintering process in which a mixture of phosphate rock and coke is burned to remove impurities and obtain physical and chemical uniformity for the electric furnace charges.

Ground was broken for a new sintering plant almost in the center of the Tennessee property (where the town of Monsanto now stands) in April, 1936, and six months later the first shipment of sintered phosphate rock was shipped to the furnaces at Anniston. In June, 1937, the first of three furnaces went to work producing elemental phosphorus for tankcar shipment, and in January of this year a fourth electric furnace, largest of the lot, was placed in operation at Monsanto, Tenn. The development of elemental phosphorus opened a wide range of new uses in both agriculture and industry.



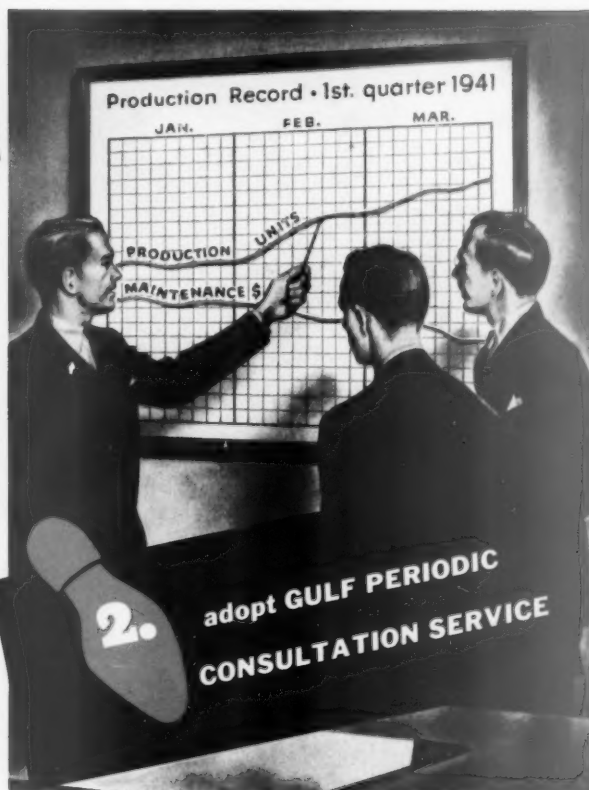
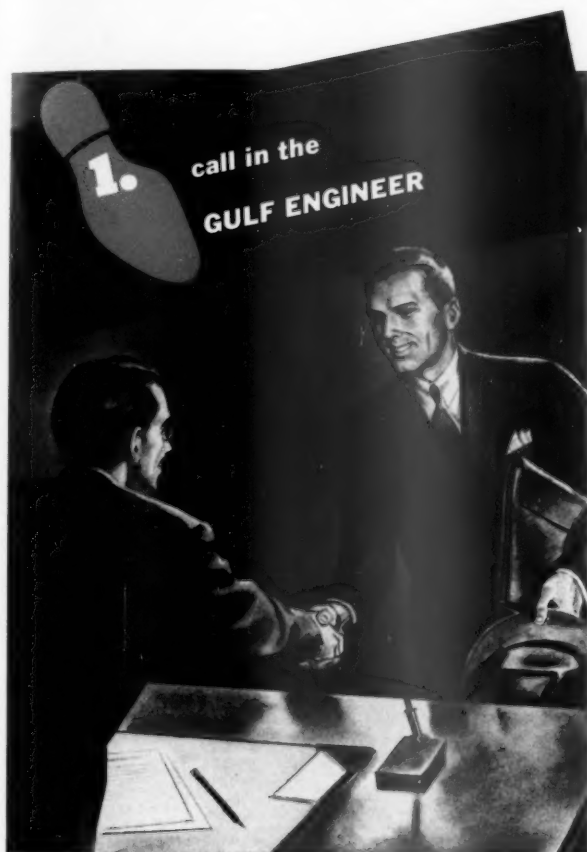
Another step in Monsanto Chemical Co.'s phenomenal growth was formally signalized last week when, with due ceremony, this new plant for the production of Resinox plastic molding materials was opened at Spring-

field, Mass. The Monsanto tankcar above has the company name painted on it—a practice first introduced by Edgar Monsanto Queeny, son of the founder, when he joined the business as advertising manager in 1919.

When Management says . . .

**"we've got to remove production handicaps"**

take these **2** easy steps . . .



*Your production records will show the improved performance of your equipment.*

**T**HE need today is for more speed behind the firing line — fast action on the industrial front. Management is *demanding* the elimination of all production handicaps.

Gulf is helping hundreds of plants remove some of these handicaps—by installing efficient lubrication. Through Gulf Periodic Consultation Service you can secure expert lubrication counsel from the specialists on Gulf's large staff of trained

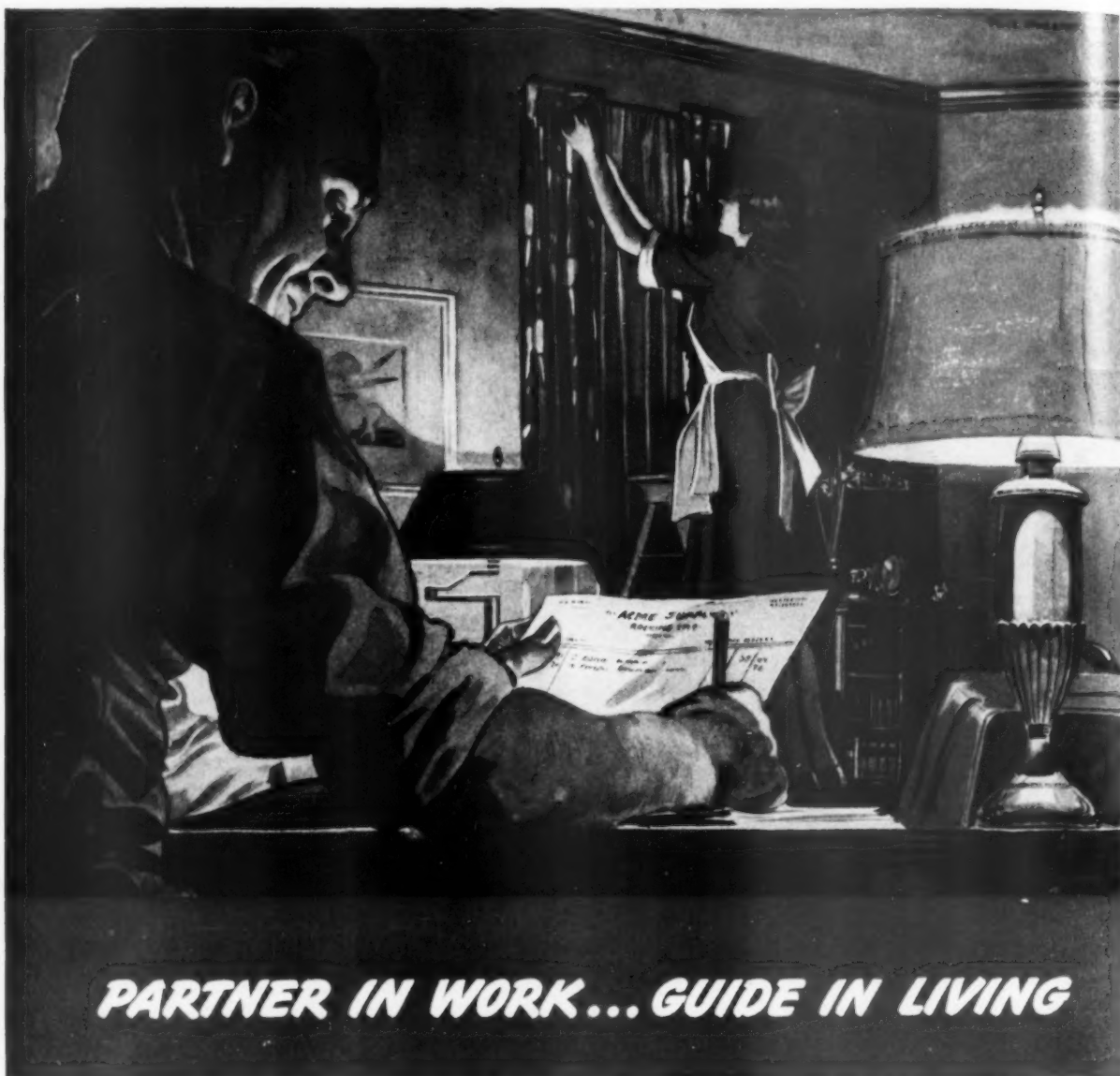
engineers. Fewer operating interruptions, better quality and quantity of production, lower maintenance costs—these are some of the benefits you get from improved lubrication practice.

Call in a Gulf engineer today—benefit from his broad experience in plants similar to yours. Gulf quality oils and greases are quickly available to you through more than 1200 warehouses in 30 states from Maine to New Mexico. Write or 'phone your nearest Gulf office today.



**GULF OIL CORPORATION • GULF REFINING COMPANY • PITTSBURGH, PA.**





## ***PARTNER IN WORK...GUIDE IN LIVING***

That is the relationship between the nation's farm publications and 30,000,000 men and women, boys and girls who work and live on farms.

It springs from recognition by farm publishers of this basic fact: That farming is different from all other occupations. And they concentrate on the two subjects of crucial importance to farm people—making more money, and spending that money to best advantage.

It is this which gives them a quality of indispensability with farm people, not shared by any other medium. But there's something more, too . . . a friendship and loyalty of a personal character, founded on respect and confidence.

Farm publications go right into the farm home, and reach the entire family. Do your advertising plans include this most effective medium for reaching the ten-billion-dollar farm market?



**AGRICULTURAL PUBLISHERS ASSOCIATION**

**FARM PUBLICATIONS OFFER . . . the Only Complete and Effective Coverage of the Farm Field**

# Members of the AGRICULTURAL PUBLISHERS ASSOCIATION

Sponsors of the advertisement on the opposite page, one of a series dealing with the farm market and the relation of the farm press to it.

- AMERICAN AGRICULTURIST  
*Ithaca, N. Y.*
- AMERICAN POULTRY JOURNAL  
*Chicago, Illinois*
- CALIFORNIA CULTIVATOR  
*Los Angeles, Calif.*
- CAPPER'S FARMER  
*Topeka, Kans.*
- THE FARMER  
*St. Paul, Minn.*
- FARMERS GUIDE  
*Huntington, Ind.*
- IDAHO FARMER  
*Boise, Idaho*
- KANSAS FARMER  
*Topeka, Kans.*
- MICHIGAN FARMER  
*Detroit, Mich.*
- MISSOURI RURALIST  
*Topeka, Kans.*
- MONTANA FARMER  
*Great Falls, Mont.*
- NEBRASKA FARMER  
*Lincoln, Nebr.*
- NEW ENGLAND HOMESTEAD  
*Springfield, Mass.*
- OHIO FARMER  
*Cleveland, Ohio*
- OREGON FARMER  
*Portland, Ore.*
- PENNSYLVANIA FARMER  
*Pittsburgh, Pa.*
- POULTRY TRIBUNE  
*Mount Morris, Ill.*
- THE PRAIRIE FARMER  
*Chicago, Illinois*
- PROGRESSIVE FARMER  
*Birmingham, Ala.*
- SOUTHERN AGRICULTURIST  
*Nashville, Tenn.*
- SOUTHERN PLANTER  
*Richmond, Va.*
- SUCCESSFUL FARMING  
*Des Moines, Iowa*
- UTAH FARMER  
*Salt Lake City, Utah*
- WASHINGTON FARMER  
*Spokane, Wash.*
- WESTERN FARM LIFE  
*Denver, Colo.*

## MARKETING

### Nylon's First Year

Anniversary of introduction to hosiery counters finds hopes exceeded. Widening uses limited only by output.

It was just a year ago next Thursday that retail shops throughout the country began selling women's full-fashioned hose made of bituminous coal, air, and water—that is to say, of nylon, the generic name given by E. I. du Pont de Nemours & Co. to the synthetic linear superpolymers developed by the company's chemical wizards after a dozen years of experimentation. A fair anniversary appraisal of nylon is that perhaps never before has a product for common, day-to-day use achieved such public acceptance in so short a time.

When nylon hose were introduced, the expectation was that they would account for not more than 5% of the total full-fashioned production in 1940 and probably not more than 10% in 1941 (BW—May 11 '41, p. 38). But those figures have proved much too low. According to the National Association of Hosiery Manufacturers, a little over 7% of all full-fashioned production in 1940 was with the new synthetic; currently the percentage is about 12%; and nylon's share of total 1941 sales may run as high as 20%.

• **Two-Unit Plant**—All nylon yarns are at present produced in a plant at Seaford, Del., which consists of two units. The second of these was completed early this year, giving the plant a capacity of about 8,000,000 lb. annually on the basis of yarn sizes now being made.

Du Pont has a second plant under construction at Martinsville, Va., that will double capacity. It will be completed this fall and should be in full operation early in 1942.

• **How It Is Used**—Currently, about 85% of production goes into hosiery; much of the rest goes into brush bristles. Nylon made its debut in toothbrushes long before it did in hosiery. In 1938, when du Pont had only a pilot plant at Wilmington, all production was given to Dr. West's, and in that year nylon was used in about 15% of the higher-priced brushes that were manufactured. The figure increased to 26% in 1939, and last year, when quantity production made supplies available to other manufacturers, reached 69%.

The estimate for this year is that 90% of all toothbrushes made to sell for 20¢ or more will be bristled with nylon filament. Since these higher-

priced brushes account for about half the total market, nylon in 1941 will bristle an estimated 45% of all toothbrushes.

• **Other Articles**—Additionally, articles made with nylon are now commercially available in these other lines:

Women's clothing: anklets, slips, bras, panties, foundation garments, dress fabrics, and raincoats.

Men's wear: half hose, ties, raincoats. Industrial applications: webbing, wire insulation and cordage, and filter fabrics.

Miscellaneous textile uses: umbrella fabrics, shower curtains, sewing thread, bead cord, thread-type medical sutures, and fishing tackle.

Monofil products: toilet brushes, industrial brushes, strings for tennis and



### HEADS 4-A'S

Guy C. Smith, executive vice-president of Brooke, Smith, French & Dorrance, last week was elected chairman of the board of the American Association of Advertising Agencies at the 4-A's 24th annual convention, in Hot Springs, Va. Primary consideration at this year's convention was the part advertising can play in national defense. Retiring Chairman Atherton W. Hobler, president of Benton & Bowles, emphasized that advertising will deter undue price rises, and pointed out that heavily-promoted products are the ones most resistant to price increases. New Chairman Smith declared that "expansion of production facilities resulting from the defense program will place upon advertising the most tremendous task in its history."

# A MAN WITH 103 M



*This composite photograph, made by printing negative over positive, symbolizes General Electric's 103 lamp department engineers.*

**He doesn't "guess" . . . he MEASURES results . . . to help you get lighting that's right**



**The Light Meter . . .** which measures the illumination quickly and accurately with its electric eye, lets you see how much light you have in any location, for any job.



**The Visibility Meter . . .** which compares different tasks and tells you how much light your eyes need to perform any seeing task with the same ease as they read this type.



**The Volt Meter . . .** which helps you make sure you are getting the most light for your money from the lamps you use.



**The Brightness Meter . . .** which measures the relative brightness of fixtures and surroundings . . . important in controlling comfort and attention.



# 3 NAMES

*.. and ONE big idea!*

## How to help your business get the most out of G-E MAZDA LAMPS

Of course you use lighting in your business. Everyone does. But how do you *know* you are getting the most help from it, in your store, office or factory? How do you *know* that your lighting moves store traffic most effectively? Speeds work on your production line with least eyestrain and fatigue for workers? Helps your secretary type and transcribe faster, more accurately?

Today everyone is talking about fluorescent lighting. Can *your* business use it to best advantage?

**This man can tell you**—For this man with 103 names has the knowledge and experience to help you get the right answer to any lighting problem. He is a composite of the 103 illuminating engineers of General Electric's lamp department, averaging fifteen years of service. In one or more of his 103 names, he is



located in offices near you or at Nela Park, Cleveland, lighting headquarters of General Electric.

**His advice is unbiased**—This man's job is to see that you get the maximum benefit from lighting with G-E MAZDA lamps, both fluorescent and filament types. His services are available to all G-E lamp distributors and through them to all types of business.

**Your business may be "different"**—There may be some special feature about your business so that standardized lighting cannot give you top performance. General Electric's lighting engineers will be glad to work with you and with your local electric service company and distributor, so that you may have the right light to help your business most. Call your G-E lamp supplier or write Dept. 166-BWE, General Electric Co., Nela Park, Cleveland, O.

**BEHIND THE SCENES** in General Electric's engineering and research laboratories G-E scientists are constantly at work, so that you may have new benefits from lighting... and better lamps, at lower prices, to provide it.



**It's a fitting** but not of a dress. This is the fitting of lamp bulb to projector optical system; may mean better movies or better results from new photo-cell controlled devices.



**Direction and quantity** of light make a big difference in seeing, so this G-E engineer measures reflector performance.



**This is a check** on how much light a MAZDA F (fluorescent) lamp gives; helps assure you full value of light to speed work in office, store or factory.



**Balance** between MAZDA F (fluorescent) lamps and ballasts is important. This device helps G-E engineers check up, without moving fixtures.



**Effects** are vital in a flood-lighting job... so this G-E engineer studies results in miniature to determine proper placing of units.

## G-E MAZDA LAMPS

GENERAL  ELECTRIC

## Stop Costly Truck Delays!



IDLE!

The  
**Motor Truck  
Stood Idle**  
1 hr. and 55 min.

**And You Can  
Put Your Finger  
Right On It!**

What does it cost when your motor truck stands idle somewhere for an hour and 55 minutes? It costs pretty close to \$8.00! That's plenty, we'd say.

One thing is certain, you never realize it until you SEE it. And when you see it in chart form (like the Servis Recorder chart above) then you can correct it.

### A Truck Can Easily Waste

\$500 a Year!

Why allow it, when the Servis Recorder can prevent these costly delays? All you need is a screwdriver—why, you could nail this Servis Recorder on your truck, and it will automatically give you every day this "picture" of the work your truck did during the past 24 hours—busy and idle time. And besides getting a real day's work out of each truck, you correct such abuses as Speeding, Overtime, Night Work, etc. Send for the whole story. The coupon brings it.



**THE SERVICE RECORDER CO.,**  
1375 Euclid Ave., Cleveland, Ohio

Please send us, without obligation, "10 Ways of Getting More Work out of Motor Trucks."

Company \_\_\_\_\_

Attention of \_\_\_\_\_

Street \_\_\_\_\_

City & State \_\_\_\_\_

**The Servis Recorder**  
Tells Every Move Your Truck Makes



## SAFETY BEGINS AT HOME

When the Secretary of the Committee on Pedestrian Control and Protection of the National Safety Council complained that he was weary of watching the hired help collide at the blind turn in the aisle outside his office door, the office manager administered some of the Council's own



medicine. A yellow dividing line with traffic instructions, painted on the linoleum floor, proved pretty effective. Again—after three of the office staff had crashed through clear-glass doors at various times, black-spot room numbers were painted in each glass panel. These remind even the most absent-minded safety expert to open the door before trying to pass through it.

badminton racquets, fishing leaders, and monofil surgical sutures.

● **Limited by Production**—Nylon's share of the market for these products is unestimated, and as yet is small because of the lack of production. Eventually du Pont feels that one of the biggest of all markets will be in industrial brushes, where resistance to wear is supremely important. Industrial brushes range all the way from small ones used in washing bottles to brushes eight to ten feet long used in sewage disposal.

● **Fabric Field**—In the fabric field, du Pont feels that nylon has yet to score one of its biggest sensations. Velvets have been woven of nylon, but they aren't yet commercially available—simply for lack of production. The virtue of nylon velvet is its freedom from velvet's tendency to crush and wrinkle.

On top of all this, the United States Treasury revealed last week that it had authorized substitution of nylon or rayon fibers for silk in the dollar bill.

● **Defense Angle**—These days the "d" in du Pont practically stands for defense work and some time back there were rumors that the whole output of nylon would be taken over for army purposes, largely for parachutes. That rumor has now been scotched, although du Pont is experimenting with army and navy officials on parachute weaves.

Lighter, stronger, and folding into a smaller pack than silk, nylon would seem to be ideal for parachutes, but

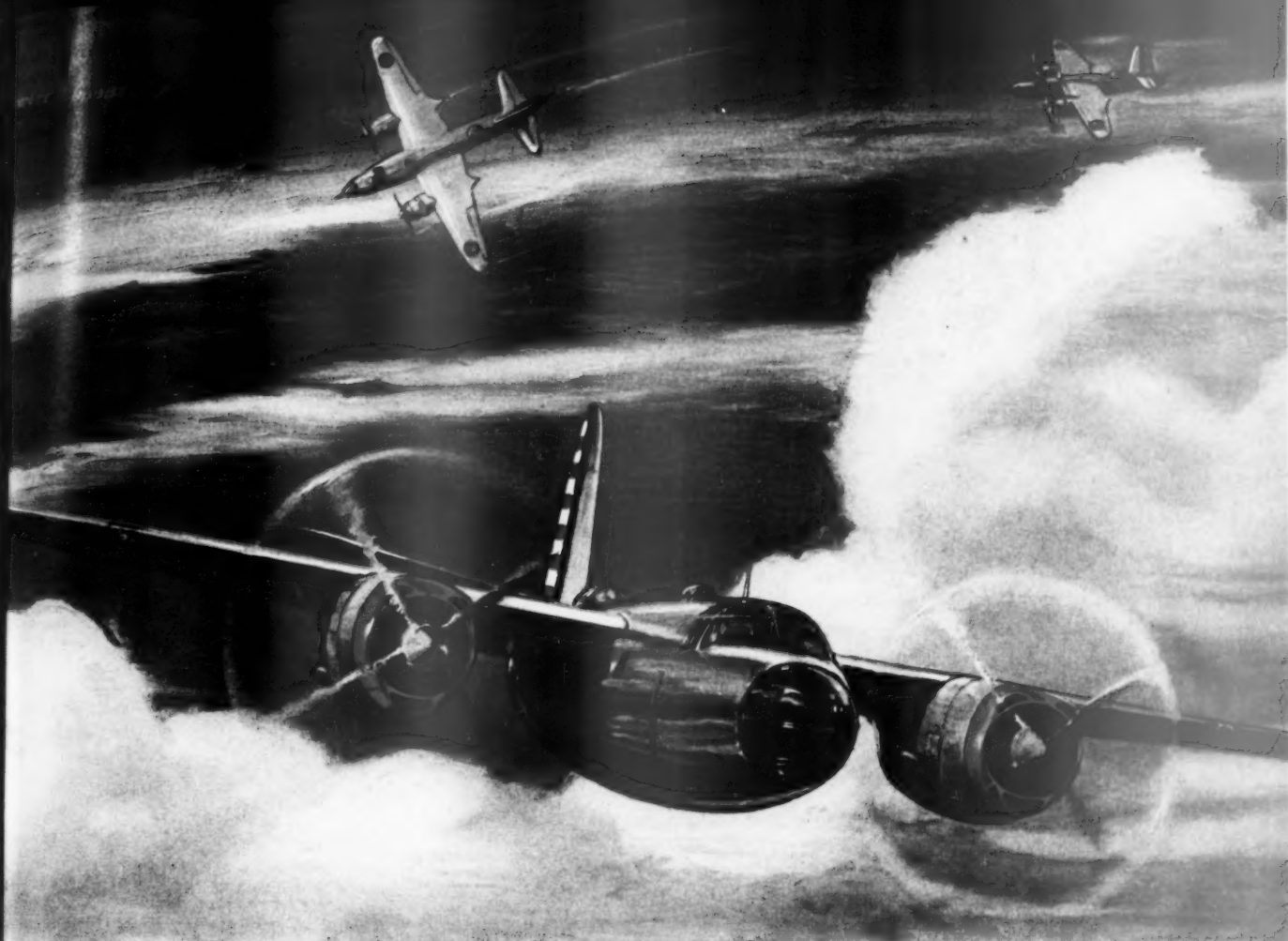
with cheaper supplies available it hardly seems likely that all nylon will be commandeered.

● **Reason for Success**—Du Pont officials take small credit for merchandising nylon. Reasons for its success, they say, is that it arrived perfected—in contrast to rayon, which was originally a bargain-basement item and had to be slicked up to get upstairs.

Du Pont has used a sort of negative promotion on nylon. That policy was decided on—in the interest of the public and customer manufacturers—even before early stories made it clear that one of the hurdles would be the exaggerated expectation of buyers.

● **Corrective Publicity**—Before nylon hose were put on the market, newspapers pounced on experimental tests, and, to make the story good, sometimes used such expressions as "run-proof." Consequently, much of the du Pont publicity has been corrective, and the company says that hosiery manufacturers report that returns from disappointed customers have been "unusually low."

Du Pont has done no advertising on nylon, and has no plans to do any until that distant day when the supply problem is licked. Incidentally, the company has no intention of solving that problem by licensing other producers, but will continue to expand its own capacity as fast as seems feasible under existing conditions.



## THE WORLD'S *"Fightingest"* BOMBER

IS BREAKING PRODUCTION RECORDS, TOO

Facts on the performance of this great ship are secret. But—

**SPEED?** The Army says its new Martin B-26 medium bomber is "faster than many pursuit planes now fighting in Europe."

**BOMBS?** Nearly double the capacity of its nearest American competitor, giving it "striking power unequalled in a medium bomber."

**DEFENSE?** Fire power from numerous gun positions firing in every direction, making it the most heavily defended airplane of its class.

**TURRETS?** Yes, large guns in a tail turret for rear defense, and Martin's power-operated twin-gun turret for defense in the upper hemisphere.

**BULLET-PROOF FUEL TANKS?** The B-26 carries its entire fuel supply in the latest development—Martin's "Self-Sealing Mareng Cells."

**ARMOR?** All Martin fighting ships carry armor for the pilots and gunners—protection for our skilled crews in combat.

Great airplanes like the B-26 do not "just happen." They grow from years of study, research, experiment, "planning for the future." The B-26 started as a U. S. Army "Type Specification"—a set of tactical requirements growing out of intensive study of what the airplane of the future would have to do in aerial combat.

To this Martin added a quarter century of bombardment experience—a quarter century that saw the Martin Star and Circle proudly displayed on the world's most famous bombers; the Martin MB-2's of 1918-28, the Martin BM-1's of 1929-32, and the Martin B-10's of 1933-39—all airplanes that had set new world standards for bombardment performance.

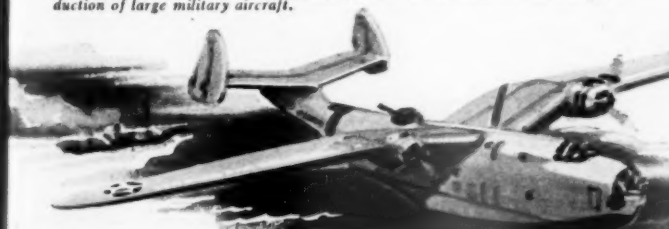
From this foundation Martin not only conceived, designed and built the B-26, but with it tools and fixtures for manufacturing it efficiently, economically, in quantity.

As a result, the B-26 is being produced in formidable numbers now—on mass-production equipment more complete in its operation and more simplified in its usage than America has developed heretofore.

No, great accomplishments like the new B-26, or like Martin's swiftly multiplying facilities for mass-production, do not "just happen." Just as they are the fruits of experienced planning, so Martin airliners of the future—beneficiaries of today's great defense-time developments—will grow from seasoned study of the needs of the happier commerce of a world at peace.

THE GLENN L. MARTIN COMPANY, BALTIMORE, MD., U. S. A.

**DEFENSE IS ON THE WING!** Huge new Martin Patrol Bombers for the U. S. Navy (below), as well as Bombers for Britain's R. A. F., are coming from Martin assembly lines in numbers never before equalled in the production of large military aircraft.



# Martin

## AIRCRAFT

Builders of Dependable



Aircraft Since 1909



# GO CHEVROLET... *The Saving Way!*



**SAVE ON  
PURCHASE PRICE**

**SAVE ON  
GAS**

**SAVE ON  
OIL**

**SAVE ON  
UPKEEP**

GIVE LOW-PRICED CARS THIS "QUALITY QUIZ" AND YOU'LL CHOOSE CHEVROLET!

	CHEVROLET	NO. 2 CAR	NO. 3 CAR
90-H.P. VALVE-IN-HEAD ENGINE	YES	NO	NO
CONCEALED SAFETY-STEPS	YES	NO	NO
VACUUM-POWER SHIFT AT NO EXTRA COST	YES	NO	NO
BODY BY FISHER WITH UNISTEEL TURRET TOP	YES	NO	NO
UNITIZED KNEE-ACTION	YES	NO	NO
BOX-GIRDER FRAME	YES	NO	NO
ORIGINAL FISHER NO DRAFT VENTILATION	YES	NO	NO
TIPTOE-MATIC CLUTCH	YES	NO	NO

You'll Say "FIRST BECAUSE IT'S FINEST!"

And in addition to saving money every day and in every way, you'll also enjoy the livelier performance and more luxurious comfort of the only low-priced car with all the fine-car features listed here in Chevrolet's famous "Quality Quiz." Why

**Pay More? Why Accept Less?**

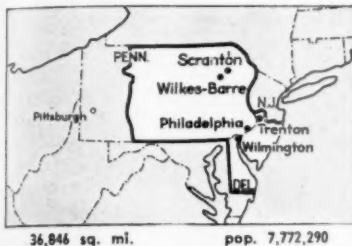
CHEVROLET MOTOR DIVISION, General Motors Sales Corporation, DETROIT, MICHIGAN

**AGAIN CHEVROLET'S THE LEADER**

**Eye It...Try It...Buy It!**

## The Regional Market Outlook

**PHILADELPHIA** (Income Index—118.3; Month Ago—117.0; Year Ago—104.0)—In the metropolitan area about this city armament awards are still mounting. Sun Shipbuilding will build 12 new ways for tankers, providing 10,000 new jobs, and Midvale is building a \$13,000,000 armor plate plant. Plans are to double Westinghouse's machinery capacity at Lester, Pa., and du Pont's neoprene facilities at Deepwater, N. J. A \$50,000,000 project to house defense



**CHICAGO** (Income Index—128.2; Month Ago—127.2; Year Ago—111.3)—For this, the nation's auto district, the projected 20% curtailment in automobile production has special importance. In the immediate future, with Ford back in production and consumer demand running high, assemblies will hold at about 125,000 per week. In the fall, there may be idle workers if shift from civilian to defense work is not smooth.

For the longer period ahead, concentration of bomber subassembly, aircraft engine, tank, and ordnance contracts about the auto centers will more than absorb the displaced workers. Therefore, Detroit and surrounding auto towns—Flint, Pontiac, Lansing, Jackson, Saginaw—with a population upwards of 3,000,000, will continue as excellent spots for promotional campaigns. Retail sales have been well above average.

Through March, construction contracts have run 126% above 1940,

workers is under consideration for this metropolitan area.

Trade in the Scranton-Wilkes-Barre-Pottsville hard-coal area is probably due for a lift. Negotiations have been under way for a wage increase in the anthracite mines. However, anthracite is a residential, rather than an industrial fuel, and so production and employment at the mines will rise but little in coming months.

Textile and apparel lines predominate among the area's manufacturing, and accordingly factory payrolls there are also apt to lag.

Because of the geographical proximity of rural areas to industrial centers in this Reserve district, farm hands have been drawn into factory employment. This has also had the effect of boosting purchasing power in villages of less than 2,500 population. Result: rural retail gains over a year ago are in line with those in cities.

largely reflecting defense plant building. Latest plans are to double the Buick engine plant here and to erect an ammunition plant at Des Moines, Iowa.

Steel output in the Chicago section has rebounded from the coal shortage, and trade will benefit from the wage rate rise; but capacity limits operations. Machinery makers and car builders, however, are busier than ever. Heavy armament awards assure an above-average district income ranking.



**SAN FRANCISCO**—(Income Index—132.8; Month Ago—132.0; Year Ago—113.1)—Recent industrial developments presage further improvement of this district's income prospects. With new awards for shipways and vessels under the expanded emergency shipbuilding program, it is now expected that 120,000 workers will be employed in the industry by the year end, as against 48,000 now (BW—Feb. 8'40, p38). Of the new jobs, 15,000 will be at Seattle-Tacoma, 12,000



at Portland, Ore., 30,000 at San Francisco-Oakland, and 15,000 at Los Angeles. Moreover, H. J. Kaiser's proposal to build new steel capacity (BW—May 3'40, p24) promises some 30,000 new jobs for this district—in Idaho, in the Bonneville area, and in southern California. Existing West Coast producers had already embarked on expansions, and regardless of how the new increase is finally allocated, district steel employment is likely to be boosted.

The aircraft industry is still growing, with perhaps 100,000 persons to be added to payrolls by the year-end. Copper mining and lumbering are operating just about at capacity. Recent weather has hurt canning crops, but increased demand promises better prices for growers and higher weekly earnings for workers. Prospective withdrawal of ship tonnage from intercoastal trade is apt to unsettle steamship, rail, and truck transport for a while.

If You Haven't been



Riding the Modern



Air-Conditioned Trains



of the  
**NORFOLK AND WESTERN**  
... You've Been Missing  
Something

Relax in one of the deeply cushioned, individually reclining seats on the deluxe coaches of the modern, completely air-conditioned Norfolk and Western passenger trains—operating between the Midwest and the Virginias and Carolinas.

Eat in the cheerful, spotless dining cars. Sleep in the slumber-inviting sleeping cars.

On these fine trains, cares melt away—there's no dirt or soot to soil your clothes; no jolting or swaying, for cars roll swiftly over a smooth, solid roadbed; no crowding, for there's plenty of room to stretch your legs. You arrive rested . . . on time! Go the modern way . . . by train.

**NORFOLK and**  
**WESTERN**  
*Railway*

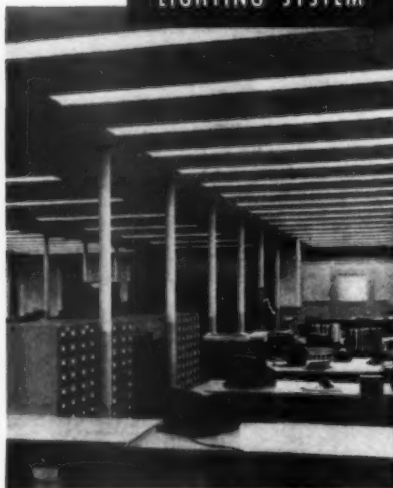
## WORLD FAMOUS MAKERS OF

Community  
Plate



USE

MILLER  
TROFFERS  
Continuous Recessed  
FLUORESCENT  
LIGHTING SYSTEM



Note the "ribbons of light" across the ceiling of Oneida's general office providing 60 foot candles of matchless overhead illumination.

THE Oneida people, manufacturers of the famed Community Plate silverware, are highly satisfied with the new MILLER FLUORESCENT TROFFERS installation in their offices at Oneida, N. Y. This new lighting system is actually providing their employees with as high as 60 foot candles of softly diffused overhead illumination. Think of their increased efficiency and eye comfort!

Many other case studies\* in our files prove MILLER TROFFERS not only provide better light and increase employee efficiency, but that they also offer the user decided operating savings. MILLER TROFFERS can give you these benefits, too—because they are *not* a lighting fixture, but a lighting system, ideal for offices, banks, commercial establishments, and even factories. WRITE today for new MILLER TROFFER Bulletin 2G.

\*Details on request

THE MILLER COMPANY  
MERIDEN, CONN.

Pioneers in Good Lighting Since 1844

## ASCAP Deal

Pattern for network peace is set by songwriters' terms for Mutual. Collections would be at "pre-war" level.

Announcement last week of the terms upon which Mutual Broadcasting System and the American Society of Composers, Authors and Publishers are nearing final agreement indicates that if similar terms are negotiated by the other networks ASCAP will collect about \$4,500,000 a year from the broadcasting industry. That's about what the society formerly collected but only half what it was after when it launched those contract demands which have kept ASCAP music off major stations since the first of the year.

• **Submitted for Ratification**—Agreement on alternative royalty formulas—one calling for blanket licenses and one for per-program payments—was reached by Mutual's board of directors after weeks of negotiating with ASCAP. Terms were immediately submitted to the network's 175 member stations for ratification this week. John Shepard 3rd, Mutual director and president of the Colonial-Yankee Network, and Hulbert Taft, Jr., WKRC, Cincinnati, member of Mutual's operating board, sent affiliates a "minority report" in the form of a lengthy wire requesting them not to be stampeded but to withhold decision on the terms until after the St. Louis convention, May 12-15, of the National Association of Broadcasters. Despite this opposition, it seemed this week that ratification by a majority of affiliates would put ASCAP back on the network within a matter of days.

Of the two royalty formulas, Mutual recommended the blanket license plan to affiliates. Under it, fees would be the same for the network and for individual stations: 3% of net receipts for the next four years, and then 3½% until the termination date of the contracts, Dec. 31, 1949. Agency commissions, line charges, discounts, and the network's own sales commissions are deductible before applying the percentages.

• **Can Make Own Deals**—Since Mutual is on a cooperative basis, individual stations are free to make their own deals on the per-program basis, under which charges run 10% of net receipts on musical shows, 3% on programs using theme songs of "bridges," 1½% on programs using incidental music, 1½% for music in connection with a football game, and 1% of station card rate on sustaining programs.

If, during any year, charges on the per-program plan run less than 2% of a station's net revenue, ASCAP would be entitled to collect on the blanket

basis. On the other hand, if charges run over 5%, the station would be entitled to pay on the blanket basis.

Mutual's action can be expected to spur ASCAP negotiations with NBC and CBS, but the two older networks seem in no rush to sign, and won't until after the N.A.B. convention.

## NEW BUSINESS

### Drinks by the Bottle

Executives of the National Safety Council in Chicago decided that employees weren't drinking a healthy amount of water, particularly with warm weather coming on. The council's solution was a stock of glass quart bottles—much like those used on dining cars—one for each employee, down to the lowliest office boy. Bottles are refilled twice a day by a girl who picks them up with a special truck and wheels them to the drinking fountain.

### Helping Self-Service

"Multican," put out by American Molasses Co. is the latest effort to help self-service stores via telling displays. This time, the can itself is the display. All front labels are identical—"Grandma's Old Fashioned Molasses" (with a



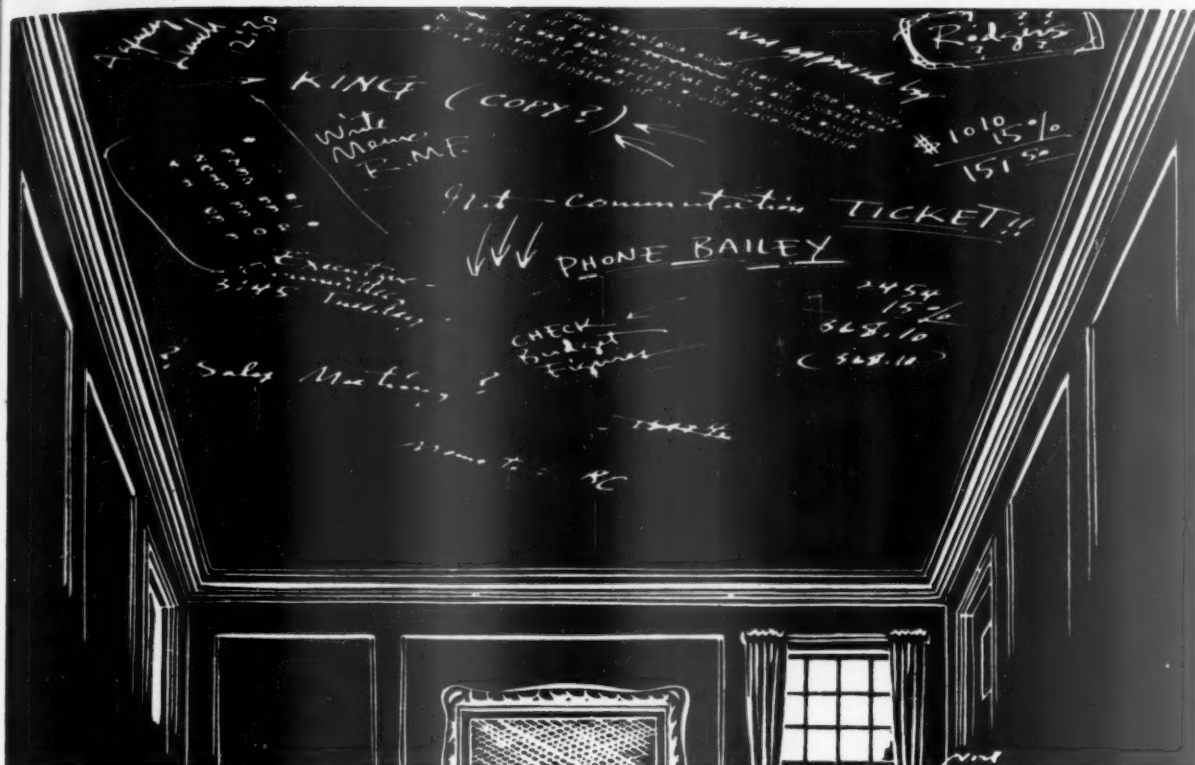
picture of Grandma). All right panels, which give facts about the product and its use, are identical, too. But there are 12 different left panels, with the result that American Molasses gets in 12 sales licks instead of one, and makes a hit with self-service grocers who want merchandise to lift itself off the shelves.

### Streamlined Motherhood

Fixing the baby's formula is a chore few mothers relish. Many milk companies will make them up to order, but the labor charge of measuring and bottling by hand makes the sale price pretty steep. This summer, Modified Milk Laboratories of Boston will launch a new service for home delivery of infants' formulas.

Service is made possible by an auto-





## Does the ceiling of your bedroom look like this?

**YOU'VE** just pushed the little button that puts your alarm clock on guard for tomorrow morning. Then you snapped off the light and said, "Boy!... this bed feels good."

You're all set to go to sleep with a vengeance, you are. But . . . will you?

Is there any chance of your staring up at the ceiling and writing there the first sentence of tomorrow's memo-to-the-committee? Are you sure of that Branch Office proposition? Did you make a note to check the sales budget?

*In other words . . .* could business have a habit of being on your mind? Could it be one of the most important items in your life?

You bet it could.

That's why so many men like you point to a certain magazine (devoted to *news of business*) as the source of their most important reading.

That's why the pages of this magazine attract such an important audience. That's why its audience is more purely packed with Management men than any other near its size.

And that's why the men who make advertising decisions do more selling-to-business through the pages of this magazine (*Business Week*) than in any other magazine of any kind!

Advertising men recognize that these particular pages have a way of putting power behind most any message. They know that business men expect to see their business goods displayed here.

They know that the pages of *Business Week* give Management the opportunity of doing two big jobs at the same time:

Shopping for business ideas . . . and shopping for business goods!

*Business Week*  
ACTIVE MANAGEMENT'S MAGAZINE

matic patented metering and compounding machine, invented by Donald de la Farge Henderson, head of Modified Milk Laboratories. Machine measures proportions to within  $\frac{1}{1000}$ ths of an oz., turns the pattern of a punch card into a formula with 12 different ingredients and delivers it into a 32-oz. beaker within 15 seconds. The service will cost individual customers from 18¢ to 35¢ per day, depending on the formulas, and the company figures on 18,000 potential takers in the middle-income bracket.

### Wonderful Wyoming

State tourist travel promotion reached a new peak with a plan pioneered in Wyoming last month. The department of education, cooperating with the department of commerce and industry and the fish and game and highway divisions, sponsored a course in "tourist relations" for waitresses, gas station attendants, hotel clerks, soda jerkers and others who are at all likely to come into contact with summer visitors.

Altogether, there were 26 class meetings. Total enrollment came to more than 2,500 and successful graduates received tourist host certificates and "Ask Me" buttons, which identify experts.



### TO BED IN A PAPER BAG

Several years ago, after making up 100-lb. paper bags for export shipment of heavy chemicals, employees of a Los Angeles paper-bag factory began to make sleeping bags in the same way, to take on camping trips. They found them warm, windproof, durable, and fine for bringing home fish or game.

Customers soon heard about the paper sleeping bag, and the workers made them on request, but nobody thought of the commercial angle until

# AGRICULTURE

## Food for Defense

**Expansion, not restriction, is keynote of new drive for more livestock, fats, and oils, vegetables, and dairy products.**

"Food for Defense"—and more of it—is the new keynote of American farm policy. It's a far cry from the "plow-under of the little pigs," and even from the more recent and much more orderly programs of crop control. It's a campaign to feed as well as to arm those fighting totalitarianism, and it's a plan which admittedly is of an emergency rather than a permanent character.

More hogs, more tomatoes, more linseed oil from flax seed, more fats and oils, more milk for concentrates and cheeses, more poultry and eggs, more cattle for beef and more heifers for milk, more corn and peas and snap beans for processing. That gives you some idea of the scope of the idea.

• **Some Crops Left Out**—Note that there is no mention of some of our most important crops. The government is not yet urging farmers to grow more rice, tobacco, cotton, or wheat. For cotton and tobacco, our markets have so shrunk that there is no indication that we will need even present production despite record consumption at home. As to wheat and rice, we now seem to be meeting requirements amply although future policy is tied closely to probable duration of the war and the extent of our participation.

Primary emphasis is on a very large increase in American production of livestock and livestock products. Feed is abundant and it is available at fairly reasonable prices to the raiser of poultry or to the feeder of hogs and cattle. One hen and her setting of eggs can do a good deal toward rapid increase of the country's gallinaceous population, and the modern incubator can do a still more effective job. The old sow, with spigots ample to accommodate the average litter of ten piglets every half year, is prolific enough. But old Bossie, who can count on no more than one offspring a year, is at a disadvantage when the Department of Agriculture asks for more dairy animals and more beef at one and the same time.

• **Several Incentives**—The incentives dangled before the farmers in this food-for-defense program are several. Raisers of hogs and cattle have seen prices go up substantially in the last year. At present, farm income from livestock and livestock products is rising much more rapidly than that from crops. In addition, the government has entered on a program of pegged minimum prices for hogs and lard. Cattle raisers are getting less attention because prices of stock for slaughter are among the few agricultural prices above the parity level, but the government has stipulated minimum levels for dairy products to encourage milk output. Poultry and eggs also come under the price-support policy.

Production of milk this month is expected to set a new high record, and the Department of Agriculture predicts that output will be maintained above 1940 throughout the remainder of the year. This is relied upon to increase supplies of butter, cheese, and canned milk available for shipment to England.

• **Expects More Eggs**—The D. of A. also foresees a handsome response to its pleas for expanded poultry and egg production. It expects an increase of about 6% in total production of eggs during the next 15 months. These eggs, too, would presumably be made available for shipment to England as needed.

In encouraging larger production of

national defense suggested a possible military use. They are made of five-ply kraft paper, thin but tough; have an asphalt layer for waterproofing, a cheesecloth reinforcement on the outside, and sewed edges. Weighing only 3 lb., the bags are 7 ft. long and 3½ ft. wide. A 3-ft. flap at the open end either spreads on the ground under the sleeper's head, or can be pulled over his head as a windbreak. The manufacturer (Jaite Co., 830 East D St., Wilmington, Calif.) figures that with commercial production prices should run about \$1 each.



## Happy People

• Living is pleasant in the Gulf South. That is one reason why the Southern workman is reliable, efficient, adaptable . . . he enjoys life!

Here in the Gulf South the average family enjoys good and economical living. The same dependable Natural Gas that serves industry helps make life pleasant in the typical Gulf South home. Friendly neighbors, ideal living conditions, opportunities for year-

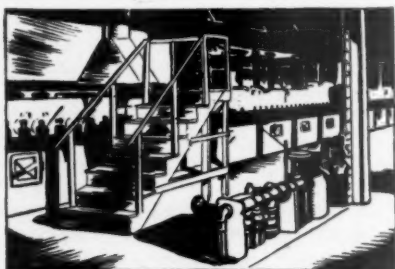
round outdoor recreation—all are the pleasant lot of Gulf South residents.

Beyond happy living conditions the Gulf South offers industry abundant Natural Gas for peacetime and National Defense requirements . . . quick, convenient transport to growing local and regional markets . . . intelligent labor . . . a multiplicity of raw materials and

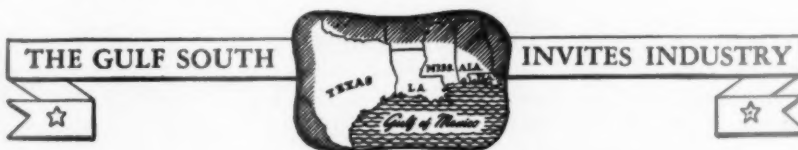
basic crops . . . suitable locations . . . good schools.

Join the march of industry to the Gulf South: This Company's organization and facilities are available to industries interested in Gulf South opportunities.

Advise us of your requirements . . . without obligation we shall be glad to make a confidential survey for you.



This illustration shows a Gulf South glass manufacturing plant using Natural Gas served by United Gas Pipe Line Company as fuel for the annealing process.



For information on GULF SOUTH opportunities write to  
DIRECTOR OF INDUSTRIAL DEVELOPMENT

## UNITED GAS PIPE LINE COMPANY

FOR TEXAS, Mail received at: Beaumont, Beeville, Dallas, Fort Worth, Houston, Longview, San Antonio and Wichita Falls. FOR LOUISIANA, Mail received at: Baton Rouge, Lake Charles, Monroe and Shreveport. FOR MISSISSIPPI, FLORIDA and ALABAMA, Mail received at: Jackson, Mississippi.

ALL INQUIRIES CONSIDERED CONFIDENTIAL

COPIED, 1941 UNITED GAS PIPE LINE CO.





## RAILHEAD OF THE EAST

★ 14 railroads serve New Jersey industry, providing fast, convenient transportation to every part of the nation. What's more, this primary means of transportation is supplemented by 500 miles of deep sea waterways and over 17,000 miles of improved highways leading to nearby markets numbering 23,000,000 people who hold 36% of the nation's wealth.

### Seeking Plant Relocation?

★ Then it will pay you to investigate the industrial advantages of New Jersey. For example, you will want to learn all about New Jersey's famous vocational school system; whereby thousands of highly trained workmen are being made available each month to industries important to the national defense. You will want to learn of New Jersey's taxation policy, whereby industry as well as individuals is freed entirely from state income taxes. You will want to learn of low cost utility service . . . proximity to sources of important raw materials . . . low land costs.

★ Get all the facts. Write for new booklet, "New Industrial Digest of New Jersey". Address Dept. B-6, New Jersey Council, State House, Trenton, New Jersey.

Also ask for new booklet covering 68 available industrial sites in detail, with photos. Also plan for financing new industrial construction.



## NEW JERSEY

A good place to WORK, to Live and to Play

46 • Agriculture



### QUIZ KIDS

The Lincoln National Life Insurance Co. of Fort Wayne, Ind. has developed a system of employee education made up of equal parts of education and entertainment. Each month a set of questions, with answers, is distributed to every employee. Then, at some unspecified time later on, ten

names are drawn from employee rolls, and these people are asked to report to a quiz committee. Each of the ten then draws a question (above), and if he can answer it correctly, gets a cash prize. Thus employees are getting a basic knowledge of their business, and acquiring an ability to answer ordinary public questions concerning life insurance too.

vegetables for canning, the Agricultural Adjustment Administration has announced that acreages of tomatoes, corn, peas, and snap beans for processing will be removed from the 1941 commercial vegetable list and will not be considered as soil-depleting crops. Thus farmers receiving payments for soil conservation will be enabled to expand their acreages of these vegetables without penalty.

Watch for the slogan "Food for Defense" to turn into the old 1917 "Breadbasket of Democracy."

## Grain Tieup Near

Railroads round up cars to meet crisis caused by clogging of Southwestern elevators with U. S. loan wheat.

Called by the Department of Agriculture and attended by representatives of the railroads and all major elements in the cash grain trade, three meetings were held last week and this in Amarillo, Tex., in Enid, Okla., and in Kansas City, Mo. Their purpose was nominally to survey the problem of moving the winter-wheat crop to market, and to

formulate plans for accomplishing this.

The net result of the first two meetings was the appointment of committees to study the situation, although the statistics were known two months ago to everyone who had a stake in the situation (BW-Mar. 1 '41, p. 22).

• **Railroads' Position**—Railroad men have for months been emitting anguished howls about the snarl-up that would come this summer unless the government would move its loan wheat out of wheat-belt elevators.

They know that when grain-belt traffic bogs down this summer, as now seems inevitable, the blame will be laid in the railroads' lap as evidence of inefficiency—and will make excellent material for folks who would like to see the government take over the roads as a defense measure.

• **Where Trouble Lies**—Of the winter wheat crop, 50% to 60% is raised in Southwestern territory where combines now harvest it in six weeks instead of the three to four months required not so many years ago. The railroads normally can haul the grain to market without trouble, but if the cars can't be unloaded there's bound to be a tieup.

Government loans have held much of last year's wheat in the Southwest, filling elevators far above normal seasonal

Business Week • May 10, 1941

levels. Loans expired Apr. 30, and after 20 days' grace the government will take over unredeemed wheat on May 20. Only then can grain start rolling to elevators in other parts of the country.

• **Annual Schedule**—Thus the problem is compounded of the calendar and the map. The 1941 crop will be harvested and shipped on the usual dates, barring adverse weather. The annual schedule is about as follows:

	Starts	Peak
N. Texas—S. Okla.....	May 25	June 15
N. Oklahoma.....	June 15	June 25
South & Central Kan....	June 25	July 5
N. Kan. & Central Neb..	July 10	July 15

Wheat not redeemed by May 20 will barely start moving out of local and terminal elevators before new-crop grain starts pouring in. It will be hard to remove much before peak movement on July 4.

• **Where Will It Go?**—The Department of Agriculture, after a nationwide survey of storage facilities, talks of moving 90,000,000 bu. of 1940 winter wheat to Gulf and Eastern elevators. But Galveston, Houston, Texas City, and New Orleans have only 15,000,000 bu. total storage capacity, and much already is full. Hence a lot of old grain has to go East. But how? Water transportation is limited by ship scarcity and rail transportation would tie up freight cars for a month or more at a time when they are needed back on home lines to move more grain.

Roads most affected are the Burlington, Frisco, Missouri Pacific, Rock Island, Santa Fe, and Union Pacific. They are engaged in getting their wandering boxcars off lines of other roads.

• **New Cars Obtained**—Moreover, all the winter-wheat roads are getting new boxcars, and are holding most of these for grain movement. The Santa Fe, for instance, is receiving deliveries on 4,000 new boxcars, will have them all by the time they are needed for the wheat.

The D. of A. survey showed that vacant storage space in the U.S. by June 1 would be 406,000,000 bu. for all grains and without allowance for necessary working space in elevators. In the three big Southwestern producing states, there would be around 114,000,000 bu. of vacant, usable capacity, and these states probably will harvest between 260,000,000 and 290,000,000 bu.


• **The Farmer's View**—Railroads are determined not to allow their cars to be used for temporary storage. They point out that wheat can stay on the farm for 60 days without deterioration. But the farmer who wants to get his grain to the elevator in order to get 1941 federal loans on it (Congress now is ironing out the new bill to increase loan values again) will howl loud and long at the delay.

You can't get ready cash, either by sale or government loan, on grain piled in a farmyard.

# ANTIDOTE FOR INTERRUPTIONS TO ESSENTIAL PRODUCTION

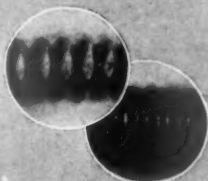
## GENERAL ELECTRIC

**Rx** *Install TRI-CLAD motors immediately for extra protection*

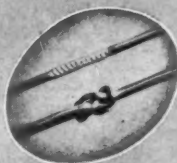


### FORMEX wire adds inner strength

IT STRETCHES. Compare these two pictures. The upper photo shows Formex wire stretched 20 per cent and wound on its own diameter.



The lower picture shows high-grade enameled wire stretched 10 per cent and wound on twice its diameter. Note that the Formex wire is not affected by this test while the enameled-wire insulation has cracked.



IT'S TOUGH. Formex wire is insulated with a vinylacetal-type plastic developed by G-E engineers after 10 years of research. Tests of resistance to abrasion show a 3-to-1 superiority of Formex wire over high-grade enameled wire.

### Cure your production worries with the EXTRA PROTECTION G. E. built into this motor

THE General Electric Tri-Clad motor can stay "on the line" when the going's tough; it can keep machines turning even under the adverse conditions commonly found in industry, because of three "extra protection" features:

- (1) Its strong, one-piece, cast-iron frame and end shields, with upper portion completely enclosed, protect it *against physical damage* by guarding vital motor parts from external blows, flying chips, settling dust, and dripping liquids.
- (2) Windings of Formex wire securely held by a new synthetic-resin bonding varnish, and "armored" by Glyptal No. 1201 Red on the end turns, protect the Tri-Clad motor *against electrical breakdown* because they combine to give a tough, heat-, abrasion-, and moisture-resistant insulation that will not wilt or weaken even after years of strenuous service.
- (3) Sleeve bearings of a new design, and improved ball-bearing enclosure and mounting, protect it *against operating wear and tear*. These bearings exclude dirt while retaining lubrication, thus assuring longer life and greater capacity. General Electric, Schenectady, N. Y.

# PRODUCTION

## Shift for Defense

Industries report striking results in quest of substitutes for critical materials. Guided by Conservation Unit.

Six weeks ago the Office of Production Management created a special Conservation Unit, under the supervision of Robert E. McConnell, to handle the big job of helping industry find ways to save raw materials and locate substitutes for those which are being completely swallowed up by the defense program. Since then the National Academy of Sciences and the Bureau of Standards (both in Washington) have been drafted by Mr. McConnell to act in an advisory capacity on the numerous projects being studied, but the Conservation Unit remains the clearing house for all activities along these lines.

Six weeks of work have already produced some striking results which indicate what's ahead for manufacturers and consumers alike as priorities cut deeper (page 15).

• **Through Industry Conferences**—Mr. McConnell's plan of operation calls for a series of industry conferences in Washington. The canning industry led the procession with meetings in the OPM offices on Apr. 16 which resulted in this week's announcement that can manufacturers are requested to cut by 10% the amount of tin used in making cans. First request of the government, based on the realization that tin supplies could be shut off abruptly if trouble developed in the Far East, called for a 17% reduction in the weight of tin coating on cans but experts in the trade convinced officials that a 10% reduction was all that could safely be made. And even this cut will not be made on cans in which apple products, most berries, grapefruit, ripe olives, sauerkraut (all especially acid products), and most baby foods are packed (BW—Apr. 26 '41, p. 32). But barely 5% of the canned goods of the country come under these classifications. Total savings resulting from the new plan are estimated to amount to 5,000 to 7,500 tons, which compares with total annual peacetime tin consumption of 70,000.

But the first indication of what savings can be made by a number of consumer industries was revealed this week when the results of Mr. McConnell's second big industry conference—with the country's leading mail order houses and merchandisers—began coming in.

You won't see many conspicuous

changes when your next mail order catalog comes around but if you study the text you will discover them, for the big houses have lost no time in encouraging the hundreds of manufacturers who supply their lines to shift quickly to substitute materials rather

than discontinue an item. And because they know that defense business is going to cut deeper into raw material supplies very rapidly, they are working closely with manufacturers to locate new substitutes and make certain that there are unquestioned supplies of the new material.

One house has already reported that on the basis of substitutions already made it can save nearly 2,000,000 lb. of aluminum a year, slightly less than

## Here's What They're Trying

Everyone is looking for a standard list of substitute industrial materials which, if it had official backing, could be accepted as a kind of lexicon for the harassed manufacturer who no longer can get an adequate supply of strategic materials for the civilian products he has been making and is at a loss to know what's available to take their place.

There is no such list yet. But the Conservation Unit of OPM is working on one and, while it is shaking down to its final form, has offered to share with Business Week readers some of the information now being gathered from hundreds of manufacturers about substitutes with which they are already experimenting. Here are significant samples:

### ALUMINUM

Article	Material Substituted
Trim on refrigerator humidaire compartment.....	Plastic
Refrigerator thermometer housing.....	Plastic
Vacuum cleaner dome.....	Injection-molded plastic
Rotary tool handle grip.....	Plastic
Miniature skeet trap.....	Cast iron
Ski pole rings.....	Rattan
Camera cases.....	Plastic
Film spools.....	Plastic
Gas range vent grills.....	Steel stamping
Bicycle lights, horns and sirens.....	Enameled steel
Cooking utensils.....	Enamelware
Infant feeding set.....	Enamelware—steel base
Dinette table tops.....	Steel edging
Gas range lighter tubes.....	Steel
Gear case.....	Iron
Wringer.....	Iron
Bits and spurs.....	Steel
Marimbass.....	Plastic
Thermometer.....	Steel

### ZINC

Air charger.....	Cast iron
Pulleys.....	Pressed steel
Cabinet hardware.....	Steel
Stoker transmission case.....	Cast iron
Pump assemblies.....	Cast iron
Swivel tube.....	Cast iron
Drill presses.....	Pressed steel
Camera mounting plate.....	Bakelite

### NICKEL

Bicycle lights, horns and sirens.....	Enameled steel
Shelving finish.....	Tin
Clarinets.....	White metal
Cooking utensils.....	Chrome
Stainless steel table cutlery.....	Chrome steel

### CHROME

Handle on floor sander.....	Baked enamel
Electric motors.....	Baked enamel
Hand grinders.....	Cadmium finish

### BRASS

Football and basketball inflators.....	Steel
Wall brackets.....	Steel
Kerosene range connectors.....	Steel
Boat whistle.....	Plastic
Bicycle locks.....	Cast iron
Flag pole sockets.....	Malleable iron
Gun cleaning rods.....	Steel



BENDIX \* ECLIPSE \* PIONEER \* SCINTILLA \* STROMBERG \* ZENITH



*Few such as this versatile, ultra-precision milling machine exist in America—none, we believe, abroad. A Scintilla tool-maker, Gerald Reynards, is executing a micrometric machining operation upon an aircraft ignition unit.*

## ...with the spark of life for the Eagle's Brood

**T**HE wide, free skies of America are astir today, with the protecting wings of our own Eagle's Brood . . . America's Air Forces!

They're roaring aloft by thousands from army field and seaplane base and navy flight-deck. And they're flying the finest aircraft American engineering and manufacturing ability can create.

Being a vital and trusted part of the nation's aircraft industry, Bendix has shouldered its share of the task. Into these airplanes are incorporated many varied Bendix Products, familiar and thoroughly service-proved.

Scintilla Magnetos and Spark Plugs furnish the

very spark of life to the giant engines. Stromberg Injection Carburetion brings new maneuverability and fuel efficiency. Eclipse Starters and Generators provide unquestioned reliability.

Pioneer Flight and Navigation Instruments flash back true answers to the pilots' ever-questing glances. Bendix Pneumatic Landing-Gear Equipment cushions the impact shocks of landing and the bumps of take-off and taxi-ing runs, while Bendix Airplane Brakes afford obedient ground performance. Bendix Aircraft Radio Transmitters and Receivers link plane to plane, and plane to ground-stations, most dependably.

Thus, aloft, as on land and at sea, the twenty thousand citizens who man the Bendix organization "serve the Service" . . . to the end that Free America may remain so.

# Bendix

## AVIATION CORPORATION

Plants at: BENDIX, N. J. • SOUTH BEND, IND. • BROOKLYN • ELMIRA, N. Y.  
SIDNEY, N. Y. • BALTIMORE • NEW YORK • DETROIT • TROY, N. Y.  
PHILADELPHIA • WAYNE, MICH. • BURBANK, CAL. • WINDSOR, ONT.

1,000,000 lb. of zinc, 41,000 lb. of brass, 25,000 lb. of copper, 35,000 lb. of nickel, 15,250 lb. of chromium, and 4,000 lb. of rubber. These amounts are small compared with the country's wartime consumption but they are only the beginnings of the all-out conservation program and represent the saving of a single mail-order house.

• **Little Goes Long Way**—The companies which have already reported to the Conservation Unit headquarters have done a thorough job as far as they have gone. Every item in their catalogs has been studied. On a simple little thing like eyelets for athletic shoes, one company found, for instance, that it can use enameled steel and save 700 lb. of aluminum a year. Since after this month no aluminum at all is expected to be available for civilian industries except on a special-dispensation basis, Washington machine manufacturers will make agitators out of plastic materials, and the saving on sales through one house alone will amount to nearly 500,000 lb. of aluminum a year. On refrigerators, substitution of copper and steel, runs the saving up to 381,000 lb.

Here is a sampling of other items in one mail-order company's report

on substitutes found for strategic materials, with the amounts that are likely to be saved on an annual basis:

ALUMINUM		Estimated Annual Savings (Lb.)
Item	Substitute Material	
Gas range burner heads	Cast iron	37,000
Electric range cooker	Enamel steel	60,000
Variable condensers	Lead-coated steel	25,000
ZINC		
Kerosene range tanks	Glass	2,500
Galvanized range boilers	Porcelain	100,000
Record changer parts	Steel stampings	15,000
	Bakelite	
STEEL		
Racks for croquet set	Wood	30,000 ft.
Kitchen utility cabinets	Wood	120,000 ft.
LEATHER		
Midsoles for athletic shoes	Fiber	20,000 ft.
Football helmets	Fiber	4,800 ft.
NICKEL		
Range and heater trim	Plastic	750
Nickel silver cutlery	(Discontinued)	5,000
COPPER		
Kerosene range tubing	Steel	25,000

• **Effect on Costs**—What such substitutions do to costs has been carefully worked out by another mail order house on a series of 43 parts for heavy household articles ranging from refrigerators to washing machines. On only 10 were costs boosted by the use of substitutes.

## SAVINGS ACCOUNT

Saving by finding substitutes for critical materials in civilian production, saving by sheer curtailment of civilian business—that's the job of the Conservation Unit in the Office of Production Management. Here's what OPM's decree that the auto manufacturers cut production 20% means in terms of raw materials:

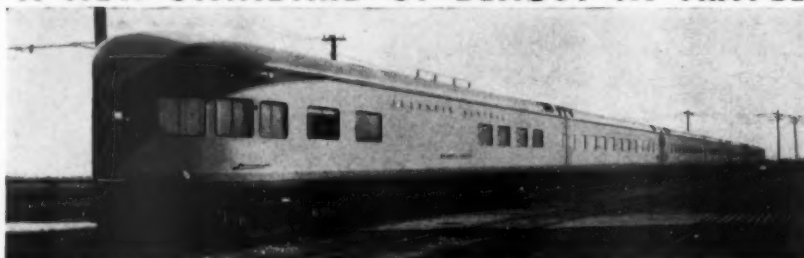
Item	Estimated Amount Saved
Steel (net tons).....	1,500,000
Iron, malleable (tons).....	71,500
Gray iron (tons).....	235,000
Leather (upholstery) (sq. ft.)	7,000,000
Aluminum (lb.).....	10,500,000
Copper (lb.).....	55,000,000
Tin (lb.).....	5,000,000
Lead (lb.).....	114,000,000
Zinc (lb.).....	38,000,000
Nickel (lb.).....	5,000,000
Lumber (bd. ft.).....	70,000,000

For 15, the price was not changed by the shift from a scarce material to a more plentiful substitute. And on 18 items—on most of which plastics or cast iron were used as substitutes—costs were lowered.

What the automobile industry is going to be able to do when it really digs into the problem remains a question. OPM Director Knudsen set the pace when he demanded that production in the next model year automatically be cut 20% below this year's levels (page 17), but since 1940 was one of the best years the industry has had, and since the shortages of aluminum, nickel steels, and neoprene are already acute, and supplies of steel, copper, brass, and zinc are not likely to be large enough to cover both defense and civilian needs, insiders will not be surprised if there is a further blanket reduction of passenger car production with large automatic savings of many key materials (see table on this page).

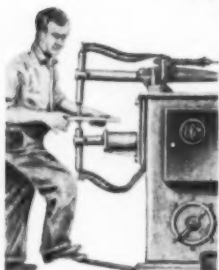
• **Questions for Car-Makers**—But the Conservation Unit is working with the automobile industry to find ways to save more strategic materials. A questionnaire was mailed to all of the big manufacturers and parts producers this week asking (1) how much of 12 key materials were used in 1941 models, (2) how much will be used in 1942 models, and (3) what estimates are available of the savings that can be made by the use of substitute materials both in the new models and in replacement parts. The materials on which information is sought are virgin and secondary aluminum, nickel, nickel steel, magnesium, zinc, neoprene, chrome, copper, lead, tin, and tungsten. It is largely on the findings of this survey that OPM will determine how many cars for civilian use will ultimately be allowed this year.

## A NEW STANDARD OF BEAUTY IN TRAVEL



"City of Miami" built by Pullman-Standard Car Mfg. Co. for the Illinois Central R.R. Co. This train operates between Chicago and Miami in 29½ hours.

*And the Construction*  
-AIDED BY EC&M WELD TIMERS  
IS *Equally* OUTSTANDING!



PASSENGERS marvel at the exceptionally beautiful interior of this crack streamliner, "City of Miami." In achieving it, Pullman utilized craftsmanship of a high order.

A portion of the interior steel is joined by welding—using EC&M Weld Timers—thereby obtaining strong, perfectly formed joints without indentation and discoloration of the material being welded.

There's no guesswork with EC&M Weld Timers. Timing is completely automatic. Strong, uniform welds result. And, in addition, this accurate timing, by safely permitting higher welding current, saves welding time!

In welding stainless steels, galvanized metal, non-ferrous metals, sheet steel, etc., EC&M Weld Timers give outstanding results in both quality and quantity of work. Ask for descriptive Bulletin 1201, also for Booklet 141—a guide on welding procedure for operators.



THE ELECTRIC CONTROLLER & MFG. CO.  
2684 E. 79th St. Cleveland, Ohio

MOTOR CONTROLS • BRAKES • LIMIT STOPS • MAGNETS

Conservation of strategic materials by more economical use and by the substitution of other materials is just getting started but it will spread rapidly. What Washington hopes to do is supervise the substitutions so that industries will not shift from, say, aluminum, to zinc which is already under partial control, or to tin, supplies of which might suddenly be cut off. But even plastics offer a problem, for if there is a sudden demand from dozens of manufacturers for huge quantities of plastics, even that supply will need to be rationed.

● **Clearing House Job**—It is to avoid these complications that Washington has set up the new Conservation Unit in OPM and is attempting to make it a clearing house of information for (1) manufacturers who want to find substitute materials, for (2) manufacturers who already are in production in materials which they believe can be used extensively as substitutes for the strategic items, and for (3) the whole of industry which wants some headquarters to which it can turn for information and advice in the present emergency.

Tightening the controls now does not mean that the United States is tobogganing into a period of serious shortages of all kinds of industrial raw materials. Rather, the new policy takes a leaf from Britain's bitter wartime experience. England learned only recently that it was foolish to look on rationing as a sign of economic weakness. As a result, Britain today is faced with a more serious food problem than would be the case if London, like Berlin, had started rationing its huge stocks of food systematically many months back. Washington's new plan for industry merely takes a leaf from British experience: Economize now in order to prevent a crisis later.

## FLUORESCENT FUTURAMA

Beginning May 13, with a three-day stand in Cleveland, at the Carter Hotel, the Fluorescent Futurama will exhibit the "latest and best" in fluorescent lighting to contractors, distributors, dealers, and prospective customers in 16 major cities and their surrounding trading areas. Sponsors and exhibitors are outstanding fluorescent fixture manufacturers comprising the Fleur-O-Lier Manufacturers (BW—Feb. 22 '41, p. 53), and the RLM Institute, each of which will show a maximum of four fixtures, all tested and certified by Electrical Testing Laboratories.

As the Cleveland show heads for Cincinnati, Chicago, Minneapolis, Kansas City, St. Louis, Milwaukee, and Detroit, a second complete Futurama will hit a circuit comprising Pittsburgh, Buffalo, New York City, Newark, Philadelphia, Baltimore, Charlotte, and Atlanta.

Prominent Users of Strathmore Letterhead Papers: No. 23 of a Series



**Has**  
**your LETTERHEAD**  
**kept time with your business?**

"The Greatest Show on Earth" depends on timing. It's the essence of every act in the ring. And this year the circus is timed for the modern era...streamlined by Norman Bel Geddes. It keeps all the old traditions...but in a modern manner. And for a letterhead that's in time with the new circus, Ringling Brothers and Barnum & Bailey Combined Shows use Strathmore Paper.

How about your letterhead? Has it kept time with your business? Does it combine your business traditions with a fresh, modern approach? It should...and Strathmore Papers can help do the job.

A letter written on *Strathmore Bond*, or *Strathmore Writing*, costs less than 1% more than the same letter written on the cheapest paper you might buy. And on *Strathmore Parchment*, or *Strathmore Script*, as fine papers as can be made, a letter costs only 2.9% more. Such plus value, for so little cost difference, is sound business economy. Strathmore Paper Company, West Springfield, Mass.

**STRATHMORE** **MAKERS**  
**OF FINE**  
**PAPERS**



# Leaves from a Fire Fighter's Notebook

INDUSTRY IS UNFAIR TO ELECTRIC MOTORS because of the many fires they start. Fact is, electric motors are so well made that folks think they'll run forever without maintenance. **SOLUTION**—Don't wait till motors break down. Clean, oil, and check them regularly—as you would other productive machinery—and you'll cut these fires close to zero!



INDUSTRY IS ROUGH ON LIGHT CORDS They are left on floors, are walked on, run over by trucks.

No wonder portable electric cords short-circuit, start fires. **SOLUTION**—check all electric cords regularly—simply by looking at them; if they're frayed, broken, throw them out. That prevents fires.



The above fire fighting facts have been prepared with the assistance of the National Fire Protection Association.

**DID** you ever consider *built-in* fire extinguishers? LUX Fixed Systems guard large electrical machinery, processes involving flammable liquids such as oils, paints, chemicals. Automatically or manually controlled LUX systems smother fires in a blizzard of carbon dioxide snow-and-gas. Though one of the fastest of all extinguishing agents, LUX gas leaves no mess, moisture, or corrosion. Consider built-in LUX protection for your severest hazards.

This is one of a series of advertisements discussing industrial fire protection. Reprints will be sent on request.



**Walter Kidde & Company**  
INCORPORATED  
524 West Street, Bloomfield, N. J.



## Saving on Rubber

With crude consumption at all-time high, industry prepares to revamp its product lines in interest of conservation.

With consumption of crude rubber at the highest level in history, the rubber industry is taking a quiet inventory of its diversified product lines, searching for means to conserve this vital material. A program of simplification of lines in the mechanical rubber goods field is reported already initiated by some firms, with the beaming approval of OPM officials at Washington.

Goal of the program, of course, is to cut down the maze of types and sizes of such items as rubber hose, belting, and other products which the industry produces in more than 1,000 distinct lines.

• **Would Free Capacity**—Standardization in many lines to relatively few types would result not only in substantial savings in rubber, the trade believes, but also would simplify manufacturing processes and permit the diversion of more capacity to national defense production.

Estimates of the potential amount of



## PORTABLE RECEIVER

The newest General Electric portable radio receiver, recently announced to dealers and distributors, is being plugged as "the most practical portable" ever developed. Equipped with a rechargeable airplane-type storage battery, the set can be played on the battery alone; it can be operated on alternating current, and bring in programs while the battery is being charged; or it can be recharged quickly on alternating current without the radio being on at all.

rubber that could be conserved by such a program range from 50,000 to 100,000 long tons annually. The upper limit obviously is pegged to the assumption that the simplification would extend to the manufacture of tires and tubes, which account for nearly 75% of the industry's total rubber consumption.

• **Experiments under Way**—Concurrent with the simplification program, the industry has speeded its tests and experiments in the use of other materials to replace crude wholly or in part in the making of various products. Experiments are under way in the use of greater quantities of reclaimed rubber, even though its use in some instances may result in decreased quality. Many products now made of rubber could be made entirely of reclaim or other materials, or if necessary, be eliminated entirely.

Mechanical rubber goods for original equipment on automobiles are a case in point. In 1939, according to the U. S. Department of Commerce, such items accounted for roughly 15% as much rubber as was used for original-equipment tires and tubes. Yet if that amount were cut to 5% through the utilization of other materials or the elimination of some items entirely it is estimated that 12,800 long tons of crude rubber could be saved in a year's time.

• **Record Consumption**—Crux of the situation is the fact that the rubber industry is running close to capacity. Its consumption of 66,821 long tons of crude in March was an all-time high. Even that figure was exceeded by several thousand tons in April, trade observers believe. Based on the current pace of domestic sales of all kinds of rubber goods, coupled with the swelling volume of national-defense orders that may account for fully 20% of the industry's total sales this year, some observers believe that crude-rubber consumption may reach 700,000 long tons in 1941, or 13% above the 618,000 estimate for last year.

And more national-defense orders are yet to come for tires, for trucks, combat cars, and aircraft, for rubber tracks for tanks, and countless other rubber products, as our armament production is accelerated. England at war is using 20% more rubber than at any time in her history.

• **Effect of Auto Slash**—First quarter consumption of crude amounting to 192,062 long tons was about 24% over the same period last year and at a rate well above a 700,000-long ton year. Some easing of crude requirements is expected next fall with a reduction in original equipment tire sales as a result of the slash in 1942 automobile production (page 17). In terms of tire sales, a cut of 1,000,000 cars or roughly 5,000,000 tires represents only some 8% of the industry's tire total.

Meanwhile, tire sales are "better than



## QUESTIONS AND ANSWERS ABOUT THE AMAZING NEW LIGHT SOURCE—WESTINGHOUSE MAZDA "F" LAMPS

**Q. Can I Use Fluorescent Lighting Without Changing the Wiring in My Building?**

**A.** The increased efficiency, and, therefore, the increased light output of Westinghouse Mazda Fluorescent Lamps will permit improvements in lighting without the added expense of additional wiring or rewiring, provided high power factor equipment is used. (High power factor provides greater use of wiring capacity, less loss of electricity in the wires, and more efficient operation of equipment.)

**Q. Is Fluorescent Lighting COOLER?**

**A.** Yes. Westinghouse Mazda F Lamps generate only about  $\frac{1}{4}$ th the radiant energy per unit of light. Thus they are ideal for lighting air conditioned areas, and are especially suitable for lighting perishables . . . flowers, candies and vegetables. Being cooler, fluorescent lighting is also less tiring on office employees.

**Q. What Kind of Fixtures Should I Use?**

**A.** Leading manufacturers offer a wide range of Fluorescent Lighting fixtures designed to give you the full value of Westinghouse Mazda F Lamps. The type to use depends upon the lighting job to be done in your particular case. Your local Westinghouse Mazda Lamp distributor will be glad to make recommendations.

FOR ALL THE ANSWERS

*Specify*



**Westinghouse**  
**MAZDA FLUORESCENT LAMPS**

## SAVE MONEY!

• On January 1st, prices of Westinghouse Mazda "F" Lamps were drastically reduced.

Now, in addition to lower prices, quantity consumers of all types of Westinghouse Mazda Lamps can enjoy new bigger discounts.

Purchases of \$5.00 or more, 20% Discount  
Purchases of \$15.00 or more, 25% Discount

## New! 65 WATT WESTINGHOUSE MAZDA "F" LAMP



• The ideal Fluorescent size for offices, restaurants, stores and hotels—36" by 2 1/4". Gives cool, pleasing light. Colors: Daylight and 3500° White. List price \$2.75.

See Your Local Westinghouse  
Mazda Lamp Distributor

# STOP!

Before You Buy  
AIR CONDITIONING  
Weigh These Facts!

## ONLY F-M GIVES YOU ALL THESE THINGS

- ☒ **Local Engineering Service**  
Trained factory engineers near you who understand and can fit air conditioning to your local weather conditions.
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A world-wide reputation in designing and manufacturing precision equipment for over a century.
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Quality construction has brought enthusiastic users in every state in the Union.
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Experienced factory supervised mechanics near you for installation and service.

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2401 Santa Fe Avenue, Los Angeles, Calif.  
1000 St. Charles St., New Orleans, La.  
80 Broad Street, New York, N. Y.  
902 Harney Street, Omaha, Nebr.  
35 Harrison Street, San Francisco, Calif.  
217 S. Eighth Street, St. Louis, Mo.  
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**FAIRBANKS, MORSE & CO.**  
Air Conditioning Division

seasonal" during what is normally the start of the industry's best sales period. First-quarter sales of 15,286,000 units—including 7,480,000 equipment tires, 7,377,000 replacement sales, and 429,000 export units—were 21% ahead of the same period last year. Tire prices continue low and unsettled, particularly in the truck tire markets.

## NEW AIR TRAVEL GUIDE

Airline Schedules, a new guide for air travel, will begin publication in New York with a May issue (published by Schedules, Inc., 420 Lexington Ave., New York). Thereafter, Schedules will be published monthly. One main sales point for the new guide is condensed time tables for quick reference. Complete flight tables of cooperating companies will be carried, as will a listing of air express rates. Each issue will also devote space to news and articles on air travel.

## NON-FERROUS BUILDING

At Elmhurst, N. Y., just in front of the new three-story, 60 x 120-ft. addition now being put into the production of aircraft instruments by Kollsman Instrument Division of Square D Co., stands an equally new one-story, 30 x 60-ft. non-magnetic building, designed for the assembly and testing of magnetic compasses. Instead of orthodox construction materials, whose steel content might upset compass accuracy, Austin Co., builder of both buildings, used non-ferrous materials exclusively in the smaller structure.

Copper, brass, and aluminum replaced steel and iron in piping, conduits, bolts, screws, and nails. Terra cotta replaced cast iron in soil pipe. Brick and wood replaced steel-reinforced concrete. Instead of the steel work benches used throughout the main plant, there are brass-bolted wooden ones. One man on the job is said to have suggested a plant rule for forbidding the eating of spinach, because of its iron content.

## LIGHTING EXPOSITION

With the objective of being "an ever-changing exposition of the world's newest and best ideas in lighting practice," General Electric Institute, Nela Park, Cleveland, has again revamped its displays. Conspicuous are new developments in fluorescent lighting, a "lighting for industry" display, a new model home, a new store front incorporating an ingenious "lighting paint box" to show what can be done with variously colored fluorescents, and germicidal lamps to protect audiences in the Institute Auditorium. Between now and the year's end, G.E. executives expect 50,000 visitors.

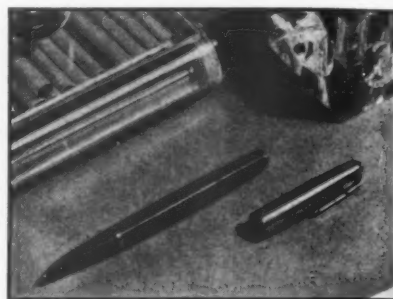
## NEW PRODUCTS

### Magnesium Extinguisher

Burning magnesium, whether found in industrial plants or dropped by air raiders, will be quickly extinguished by Pyrene G-1 Fire-Extinguishing Powder. As developed in cooperation with Dow Chemical Co. by Pyrene Mfg. Co., Newark, N. J., the new powder is applied with an ordinary shovel or scoop. In contact with fire, it gives off a protective blanket of vapor, excluding the air necessary to maintain combustion. It is effective on other burning metals, such as aluminum, iron, potassium, sodium, and zinc, and has no abrasive action on machinery.

### Streamlined Pen

All but the nibs of the new Parker "51" Fountain Pen are inclosed and



protected against damage and ink overflow by its du Pont Lucite barrel. It is being brought out by Parker Pen Co., Janesville, Wis., to use standard inks or a new "ink that dries as it writes" formulated especially for—and usable only with—the "51."

### Pennsylvania Lubricant

Newest lubricating oil for diesels and high-compression gasoline engines is Valvoline "HPO" (High Power Output), made from a Pennsylvania crude oil base. It is engineered by Valvoline Oil Co., Cincinnati, "specifically to avoid bearing failures, ring sticking, 'varnish,' burned valves, and failure of other parts, all common ills of today's high-speed engines operated at full throttle."

### Welder's Glass

Most of the infra-red rays and all of the ultra-violet rays given off during the welding of aluminum or bronze will be cut off from injuring the welder's eyes by Alubro-Weld, a new blue glass for welding helmets developed by Willson Products, Inc., Reading, Pa. The flow of metal onto the weld will be more readily seen and more accurately controlled.



## Miniature Rifle

Timely advertising souvenir is the miniature Garand Rifle, 8½-in. long, made by Adams Mfg. Co. and distributed by William B. Merrill, 531 Commercial Trust Bldg., Philadelphia. It is heavy enough to be used as a paperweight; its fixed bayonet is also a letter opener.

## Magnetic Flashlight

When you drop a small steel nut or screw into a dark and unhandy spot, you can not only locate it with the light



curving through the transparent du Pont Lucite extension tip of the new Emeloid Magnetic Flashlight, but pick it up with a powerful little magnet in the end of the tip. The maker is Emeloid Co., 289 Laurel Ave., Arlington, N. J.

## Extinguisher Tester

Periodic inspections of fire extinguishers, engines, hose, and sprinkler systems are facilitated by the portable



new Testall Pump, developed by American-LaFrance-Foamite Corp., Elmira, N. Y. The pump is attached to a water supply line and to the equipment to be tested. A few strokes of the handle raise the water pressure to any poundage required, giving both an accurate test and a thorough flushing.



## ... for Marcia Dane, R.N.

DR. ALDEN has almost as many nose and throat patients as a free clinic. Miss Dane, his able assistant, answers phones, cheers up children, sympathizes with the sniffers, arranges appointments, sterilizes the instruments, stalls off salesmen, keeps the records, and smiles frequently. But getting out the bills to hundreds of patients at the end of the month, sealing envelopes and sticking stamps at night, often makes the twelve-hour hospital shift seem soft!



WHEN Miss Dane learns about Postage Meters, we'll have another customer—quick. If regular or irregular mailings are a burden in your business, you need a Postage Meter, too. With a Postage Meter, you don't buy, keep or stick ordinary stamps; you do save time and usually postage.

Your postage is protected always in a Meter, has no value except on your own business mail. The Meter supplies any postage for

any kind of mail, including Parcel Post. It prints stamp, postmark and small advertisement directly on the envelope, and seals the flap—all in the turn of a die.

It keeps its own records, takes little space, needs no experience to operate, costs mighty little for the convenience, the satisfaction and service it gives... A word to the nearest Pitney-Bowes office will bring a demonstration of a Postage Meter in your own office... or send the coupon!



...Pitney-Bowes Postage Meter Co., 1432 Pacific St., Stamford, Conn.... Branches in principal cities. Cf. phone directory. In Canada: Canadian Postage Meters & Machines Co., Ltd.

## The Pitney-Bowes POSTAGE METER



Pitney-Bowes Postage Meter Co.  
1432 Pacific St., Stamford, Conn.

☐ Mail me "The Great Grimblestone Survey"

☐ When may we have a demonstration?

Name \_\_\_\_\_  
Company \_\_\_\_\_  
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Railroads play doubly safe and so should you. Insist on the Dual Protection of WILLSON Safety Equipment. You not only get the right equipment for the right job—but it offers maximum comfort to insure its being worn. WILLSON products are protecting men and management in every leading industry. Consult your local WILLSON representative or write direct.

Style RR50 is one of more than 300 different types of WILLSON Goggles designed for every conceivable industrial use and condition.

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DOUBLE  
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GAS MASKS

## LABOR

### Labor's "Air War"

It's being waged between C.I.O. and A.F.L. for control in big Coast plane plants. Crucial engagement now on at Boeing.

In the Pacific Coast aircraft industry, the venerable A.F.L. Machinists' Union had three strongholds apparently impregnable to the crafty, keen onslaughts of the aircraft wing of the C.I.O. United Automobile Workers. Those strongholds were Consolidated Aircraft in San Diego, Lockheed in Burbank, and Boeing in Seattle.

Holding contracts with these three, the ponderous but experienced Machinists could boast "possession" of all but one of the Coast's "Big Four." That one was Douglas, captured by neither A.F.L. nor C.I.O.

• **Small Fry First**—Since 1939, when it first got under way on the Coast, the U.A.W. aircraft unit has been content with knocking over the small fry, building an organization, developing a technique, and boring from within the Machinists' locals at the three big plants. But last month C.I.O. Coast Leaders Lew Michener, U.A.W. director, and Wyndham ("Windy") Mortimer, aircraft director, thought they saw a breach in the A.F.L. citadel at Boeing.

The huge, sprawling Aeronautical Mechanics' Union Local 751, a fledgling of the Machinists' International, was torn with dissension which, through a tortuous and complicated series of events (BW—Apr. 19'41, p46) had culminated in suspension of the local by the International.

• **Contenders Arrive**—Last week, while the nine-man executive council of the Machinists' International, guided by bulky, square-jawed president Harvey W. Brown, was "trying" some 40 members on charges of promoting "dual unionism" (and Boeing, in accord with its A.F.L. contract, was firing them as fast as they were expelled from the union), Michener and Mortimer were feverishly attempting to persuade Boeing workers to switch to the C.I.O.

On the firing line with them was U.A.W. top aircraft official Richard T. Frankenstein. They finally managed to organize a Boeing local of the C.I.O. as a spearhead.

• **Wants N.L.R.B. Vote**—Only indication of how much headway the new local might be making was the challenge by the big, blue-eyed Frankenstein last week end to the A.F.L. to consent to an NLRB election among Boeing workers. "If the C.I.O. loses,"

WHEREVER **QUIET** IS ESSENTIAL . . .

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ALL-ASBESTOS INSULATED DUCT

for Better  
**AIR-CONDITIONING  
SYSTEMS**

CAREYDUCT is made entirely of asbestos—combines both duct and insulation. Simple slip-joint construction and standardized parts make fitting on job easy and rapid. Cuts easily with saw; no shop work necessary.

CAREYDUCT "hushes" fan noises; reduces "speaking tube" effects. Air velocities may be increased without noise, enabling you to use smaller sizes—a saving in both materials cost and labor.

Guardian Bank, Cincinnati, Ohio.

Through the use of CAREYDUCT in this bank's air-conditioning system, all of the duct work was erected in the furred space above the ceiling, during banking hours and without disturbing banking operations.

CAREYDUCT is fireproof; can't rust or rot. Makes a smoother, better-looking, more efficient job. Size for size, it costs LESS than insulated metal duct.

Write Department 29 for CAREYDUCT Manual.

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## BETHLEHEM SIGNS

The Bethlehem Steel Corp. signed a contract last week with C.I.O.'s Industrial Union of Marine and Shipbuilding Workers, and official Washington marked up a victory for peaceful collective bargaining which may prove vital to the defense program.

Only 1,700 workers in the company's Hoboken shipyards are affected, but because this is the first time Bethlehem has entered into a written agreement with a Labor Board-certified C.I.O. unit, the event is deemed significant.

● **In Writing**—Actually the contract leaves wages and hours unchanged for the present, but it satisfies C.I.O.'s basic demand: exclusive bargaining rights in writing. Defense officials view it as establishing a pattern for peaceful negotiations in other Bethlehem plants where the C.I.O. can demonstrate majority status. And there is reason to believe that if C.I.O.'s Steel Workers' Organizing Committee wins the Labor Board poll scheduled for the Lackawanna works sometime this month, the company is prepared to negotiate the first labor agreement in its history covering one of its steel mills. The Washington rejoicing is over the prospect of taking Bethlehem, with its \$1,300,000,000 in defense orders, off the potential labor trouble spot.

said the ex-professional football player, "I pledge we'll pay all the election costs and get out of town."

He added, significantly, "If the Machinists refuse, the least they can expect is a long organization battle in the plant, bad feeling, and a loss of production is bound to occur."

● **A.F.L. Replies** — Harvey Brown, Machinists' International President, in reply, pointed out that the C.I.O. could get a labor board election if it could obtain enough authorizations from Boeing workers. He added a barb: "The only authorizations the C.I.O. could get would be forged ones."

Two sidelights of the battle are important. Richard Francis, regional C.I.O. director for Washington State, isn't any too enthusiastic about the sudden invasion of his territory by the brash and bossy southern Californians. At first, he strongly opposed "interfering" with the A.F.L. Boeing setup during the life of the current A.F.L. contract which runs for two years. After Frankenstein's arrival he reluctantly reversed himself.

● **Beck Bellows**—Stolid Teamster Dave Beck, the one man who might be able

**Your trip can go on!**



The reckless swerve of an oncoming car — a passenger hurt — and you, in a strange town, in the stern hands of the law. . . Here, again, Standard Service Satisfies.

For throughout North America, helpful representatives are ready to assume responsibility — release your car if possible — defend you in court — adjust lawful claims — send you on your way!

Invest now in Standard automobile insurance. The Company's selective ratings and Safe Driver Reward provide security at low cost.

Standard Accident of Detroit offers other protection — against loss from embezzlement, forgery, burglary and robbery, individual or group accident and sickness, and similar hazards. Consult a Standard agent or your own insurance broker.

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*Standard Service Satisfies . . . Since 1884*





Richard T. Frankensteen, national director of C.I.O.'s aviation division, uses sound-trucks during lunch-hours

at the Boeing plant in Seattle, as part of the C.I.O. campaign to lure aircraft workers away from the A.F.L.

to deflate the eager C.I.O. "crusaders," in Seattle, dropped a significant remark last week as he got up steam in his powerful steam roller to go to the aid of his A.F.L. brothers.

"There are enough two-fisted Americans in the union to knock any Communist picket line into the Duwamish River," he said, "and anyone who gets in the way is likely to get hurt." The affable, pink-cheeked Dave doesn't often talk that way any more; he gets tough only as a last resort.

• **Boeing's Position**—Squarely in the crossfire of these warring factions is the giant Boeing Aircraft Co., with 10,000 employees, struggling to keep up production on some \$200,000,000 in contracts. Under its A.F.L. agreement, it must fire workers expelled from the union, yet the bulky Frankensteen, before he left Detroit C.I.O. headquarters, informed the company that "any further discharges will be resisted by whatever efforts are necessary."

• **C.I.O. Power Grows**—The imbroglio at Boeing is further indication of the growing importance of the U.A.W. aircraft group in the western defense picture, an importance not sensed even by the Detroit headquarters when they dispatched Wyndham Mortimer, in 1938, to the quiet backwaters of Los Angeles in order to shelve him as gracefully as possible (BW—Jan.11'41,p42). "Windy's" assignment was to work up a western aircraft section.

The war catapulted Coast aircraft factories into No. 1 position in the defense effort. Thousands of workers flocked to the Los Angeles factories and Mortimer, aided by the aggressive C.I.O. state officials, dominated by Harry Bridges,

made considerable progress with his infant outfit. Lockheed and Consolidated (like Boeing) had been copped off early in the game by the opposition, the A.F.L. Machinists' union. That left, "Windy" and his group, Vultee, North American, Ryan (San Diego) and Douglas.

• **Vultee Strike**—In order to overcome the Machinists' initial advantage, the C.I.O. had to stage a dramatic demonstration of its passion (and ability) to aid the workers. That's what the Vultee strike, which raised so much dust nationally, was all about (BW—Nov.30 '40,p57). As youthful Jack Orr, publicity man for the union, puts it, "We had to smash the 50¢ wage minimum."

The Vultee battle did exactly that, raising pay rates to 55¢ an hour at the start, 62½¢ after three months, and although it gave the union considerable national advertising as a "Red-dominated group," it furnished U.A.W. organizers with a powerful sales argument in signing new members.

• **Eye A.F.L. Contracts**—Considerable increase in membership followed in most of the Southern California plants except Lockheed, and the now-cocky C.I.O. forces began to eye the juicy opportunities at the huge Consolidated plants (about 12,000 employees) in San Diego. Because Consolidated is a Machinists' Union stronghold, the C.I.O. had to push its way into San Diego by a back door, the Ryan Aeronautical Co.

• **Ryan Struck**—Ryan was "knocked over" in order to establish a base from which to attack Consolidated. Again, amid much national hullabaloo about the "Red" element in the Mortimer group holding up defense production,

the now-familiar routine—from demands to strike to settlement—was gone through and the C.I.O. emerged with a contract very like the one at Vultee. (At both plants, incidentally, C.I.O. had won NLRB elections.)

The campaign to wrest Consolidated from the Machinists continues. There is no accurate indication of its progress to date.

• **Want Douglas**—Meanwhile, the C.I.O., like the opposition, has been plugging doggedly at Douglas, the richest prize of them all. Both unions, for once, are cautious in their claims and say only that they have signed a "substantial nucleus" of employees at the plants of "the Henry Ford of aircraft."

• **North American**—At another major Los Angeles plant, North American Aviation Co., the C.I.O. won an NLRB election by 70 votes. Last month the old routine began again. Mortimer and his associates made demands on the firm for a 75¢ minimum, with \$1.05 at the end of one year's employment. Other demands include seniority on overtime, a 10¢ bonus on each hour of night work, two weeks' vacation with pay, seven days' sick leave per year and "no discrimination for race, creed or political affiliation."

• **Parleys On**—Negotiations were in progress this week with every indication that, unless the government or some other group puts on effective pressure speedily in the right places, the other steps in the familiar strike progression are inevitable.

One important item in the union's North American demands is the "no discrimination" clause on which the C.I.O. people have set their heart. They say this demand is intended to break a management policy which they claim is now standard in the area—a ban on "first-generation Americans" in the aircraft plants.

The C.I.O. western aircraft division has developed a high-pressure campaign technique particularly adapted to the wide territory it tries to cover. This includes: (1) a weekly publication, "Aircraft Worker," established in 1939, distributed to members, prospects and newspaper editors; (2) twice-daily radio programs over a Los Angeles station, the morning session aimed at aircraft workers' women, the evening broadcast at the workers themselves; (3) sound trucks which go to plane factories as the shifts change and harangue the crowds with pro-union arguments and announcement of meetings; (4) a motion picture of the progressive steps in the union's campaign at North American designed to teach the "correct" technique to the rank and file.

• **"Red" Charges**—First indication that charges of Communist influence in the Los Angeles C.I.O. automobile workers' high command aren't exclusively from without the union came to light last

week when a group of C.I.O. members organized "Vigilant Americans." Objective, according to its chief, Ben Inzer, former president of Local 216 of the U.A.W. at the Los Angeles General Motors plant, is "to bring into the open a fight against Communists and fellow travelers." Secretary is Richard Franklin, a member of Bridges' long-shoremen's union.

• **Want Bridges Out**—First public move of the V.A. was to demand the deportation of Harry Bridges and to appeal to the Dies Committee for "aid in purging the California C.I.O. of such leaders as Philip ("Slim") Connelly, belligerent state president, Louis Goldblatt, state secretary, and (among the aircraft leaders) Mortimer and Michener.

## Ward Closes Units

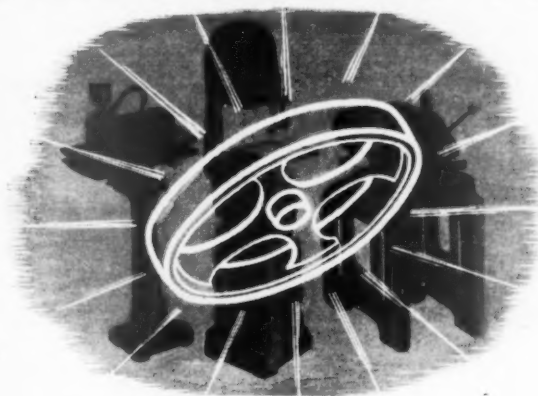
Mail order plant, store in Portland, Ore., are shut down after long strike. Cite denial of rail, express, mail service.

Montgomery Ward's mail order house and retail stores in Portland, Ore., with 1,375 employees, were closed May 3 after being picketed by three A.F.L. unions since Dec. 7 (BW-Dec. 14'40,p46). In announcing the closing until further notice, the company charged that the plant has been denied service by truck lines and by the Railway Express Agency since Dec. 7, by the railroads since Dec. 12, and by the United States Post Office Department "of all but a small part of the parcel post shipments addressed to it" since April 29.

Postmaster Hedlund of Portland and Post Office officials at Washington explain that the department takes the position that it will not deliver "abnormal quantities of parcel post addressed to plants under strike and thus involve the government in labor disputes." Hedlund claims that the Portland post office has made all normal deliveries and will continue to, but adds that parcel post for Ward has been arriving in carload lots, which never happened before, and that the post office has rented a building in which it is storing Ward parcels.

A.F.L. unionists wearing the badges of retail clerks', warehousemen's and office workers' organizations went on strike and began to picket Ward's Portland establishment just before the Christmas rush, charging that the company had refused to engage in collective bargaining, though not questioning that the union had a majority. Efforts of the United States Conciliation Service, Mayor R. Earl Riley, and others to arrange a settlement failed and the union filed charges with the National

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**F**OURTEEN years ago, Delta engineers began to create a group of new machines—more efficient, compact and flexible than anything then on the market. Designing these machines was an achievement in itself. But in addition—Delta engineers dared to set up modern production lines using special tools and the finest of modern manufacturing equipment to produce these new light machine tools in large quantities—like automobiles. That had never been done before.

The results are now industrial history! Sturdy, accurate, high-quality light-duty machines, with many basic improvements, were made available at from  $\frac{1}{4}$  to  $\frac{1}{2}$  the cost of old type ma-

chines! That was only the beginning. During the next fourteen years, practically every worthwhile improvement in light machine tools—both for wood and metal working—was developed and introduced by Delta engineers.

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**Who Uses Delta Machines?** Here is a small cross section of the list of thousands of plants who use Delta low-cost, high quality machines:

Sikorsky Aircraft Corp.	Dodge Brothers	Truscon Steel Company	Pittsburgh Plate Glass Co.
General Electric Co.	Hudson Motor Car Co.	Firestone Tire & Rubber Co.	United Air Lines Trans. Corp.
Underwood Elliott Fisher Co.	Chevrolet Motor Co.	Bendix-Eclipse Aviation Corp.	Burd Piston Ring Co.
AC Spark Plug Co.	Fisher Body Co.	Ford Motor Company	Allis-Chalmers Mfg. Co.
Owens-Illinois Glass Co.	Continental Motors Corp.	Kearney & Trecker Corp.	Glenn L. Martin Aircraft
Eastman Kodak Co.	Packard Motor Car Co.	Cutler-Hammer, Inc.	Minneapolis-Honeywell Reg. Co.
United States Bureau of Mines	Chrysler Corporation	International Shoe Co.	Douglas Aircraft
Agfa Anasco	U. S. Rubber Co.	Caterpillar Tractor Co.	Consolidated Aircraft
Frankford Arsenal	Fairbanks-Morse Co.	The B. F. Goodrich Co.	Iver Johnson's Arms & Cycle
Timken-Detroit Axle Co.	Ramsey Accessories Mfg. Co.	Goodyear Tire & Rubber Co.	
General Motors	Republic Steel Corp.		
	Graybar Electric Co.		

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Labor Relations Board accusing Ward of unfair labor practices. At a hearing on these charges in April, J. A. Barr, of Chicago, labor relations director for the company, contended that Ward was willing to bargain but could not accede to union demands for a closed shop. Under questioning, Barr said the company defined "closed shop" to cover union shop and preferential hiring. A decision on the hearing is still pending.

The Portland closing was Ward's second on the Coast. Its Oakland plant and store shut down several months ago (BW—Feb. 22 '41, p45). This week the union was carrying the fight to Spokane where it claims the company is filling Pacific Northwest orders.

## Test of NDMB

**General Motors deadlock puts board under real fire for first time. Company's position is outlined to the public.**

It was clear at mid-week that differences between the General Motors Corp. and C.I.O.'s United Automobile Workers' Union were providing the National Defense Mediation Board with its first real test of fire. Since it has received plenty of notice, with sufficient time in which to hold hearings and make recommendations, NDMB may find that its future, as well as the prospect for continuing voluntary mediation in defense labor disputes, hinges on securing a peaceful disposition in G.M.

One by-product of a G.M. strike might well be to crystallize sentiment for the Vinson bill or for some other stringent measure to regulate labor relations. The immediate consequence of a strike would be to interrupt production on \$750,000,000 in defense orders, seriously dent auto production in 60 G.M. plants, throw—by company estimate—250,000 men out of work, and back up into at least a score of industries which either feed into or are dependent on autos.

• **The Current Deadlock**—The present perilous state to which the union-company talks have come are the result of the union's apparent firmness in holding out for a 10¢ an hour wage raise and the company's determination to resist a claim which will cost \$50,000,000 a year. G.M.'s counter-offer is \$15,000,000 in payroll increases to be distributed as a 2¢ per hour pay boost for hourly rated employees and 5¢ per hour for skilled workers. The company's willingness to grant sharper increases to its skilled employees is an acknowledgment of increasing competition among employers for this type of labor. In helping to stave off a strike and reach a settlement by peaceful means,

NDMB leaned heavily on G.M.'s offer to make the terms of any agreement reached under NDMB auspices retroactive to April 28. Also cheering was the evident willingness of U.A.W. officials to "negotiate out" the issues and not resort to a strike call. But the always-present, latent dangers in protracting such bargaining were considered especially menacing. Reason was U.A.W.'s rank-and-file.

• **Rank-and-File Pressure**—It is known, for example, that a delegation from the Flint locals—stronghold of the union's left-wing—visited the U.A.W. headquarters in Detroit and demanded im-

mediate strike action. The delegation insisted that workers' interests would be "sold out" by NDMB intervention. Extremists in the union are urging that other G.M. locals strike to support a group of 500 who are now picketing G.M.'s Packard Electric Division plant in Warren, Ohio, to protest alleged dismissals of union men. These, and other incidents, add up to a rank-and-file situation which may force the hand of the union's responsible officers, and which has Washington frankly worried.

To counteract the arguments U.A.W. would have to use if a strike were called, G.M. "went to the country" last week to make clear its position. G.M.'s expression took the form of a press conference with President C. E. Wilson and a transcript of it provides one of the most unusual documents in both labor and public relations.

• **Company's Statement**—In a candid statement, abandoning off-the-record technique entirely, Mr. Wilson made the point that G.M. is convinced that there is no economic justification for raising wages, that G.M.'s wage levels are now the highest in the auto industry, and that the auto industry ranks first in national pay rates.

"The problem is," said Mr. Wilson, "not whether a further wage increase is justifiable, but how much should General Motors pay to avoid a strike?"

Asked whether he would favor an industry-wide labor agreement which would eliminate the union's tactic of "whip-sawing" the company against its competitors to raise wages, he replied, "You mean so we could get into a mess like the coal industry?"

On the issue of the closed shop, an original union demand, Mr. Wilson's comment was that a closed shop was a public problem and that, if it were to be imposed on industry, the government should have a corollary responsibility for handling it.



## BACK ON THE RUN

Last week, when the 30-day deadlock between coal-mine operators and the United Mine Workers' Union was finally broken, American industry was reported to be "one week away from chaos." Mute evidence of the seriousness of the situation was provided by the jam of empty coal cars in the Russell, Ky., yard of the Chesapeake & Ohio Railway. This week, when the mines were reopened as a result of the President's intercession with stand-pat Southern operators (BW—May 3 '41, p14), the yard was emptying fast, and the cars started rolling again in the service of soft-coal mines in West Virginia and eastern Kentucky.

## BECK AFTER OFFICE WORKERS

Beefy Dave Beck, Pacific Northwest czar of the A.F.L. Teamsters' Union, moved to enlarge his kingdom again last week. This time, he not only moved into Los Angeles, last citadel of the open shop, but is trying to get office workers to join the Teamsters' Union—employees which more logically might be members of either the A.F.L. Office Employees' Union or the C.I.O. United Office and Professional Workers.

Pacific Freight Lines was the first firm to feel the Beck pressure when its 200 drivers struck April 29 to compel acceptance of a contract that would force its 75 office workers to take out T.U. cards. Within 24 hours an agreement was signed providing that all office employees must join the union within 45 days or quit.

Next group in the line of fire was the



major home delivery milk concerns in Los Angeles. This week, negotiations over their office workers were in progress. After the milk companies will come the bakeries. Beck's invasion may widen the breach between regular California A.F.L. leaders and the T.U. group, for the A.F.L. Office Employees Union views the Seattle chief's move with a jaundiced eye.

### \$300,000 BACK WAGES

The four-year old dispute between Consolidated Edison Co. and C.I.O.'s Utility Workers Organizing Committee (BW—Jun.26'37,p41) was settled out of court last week with a company agreement to pay \$300,000 in back wages to 148 employees discharged on various occasions since 1937. The company will reinstate 60 of them to their former jobs.

The "back wage fund" is the largest ever involved in a Labor Board case settled by negotiation rather than by formal order. The dispute stemmed from charges of unfair labor practices lodged against the company by the C.I.O. until after its defeat in a Labor Board poll a year ago. An independent union, winner of the election (BW—Apr.27'40,p34), represents Consolidated employees in collective bargaining.

### P. S.

Phelps-Dodge strikers in Bayway, N. J., returned to work last week under a National Defense Mediation Board formula calling for continuing negotiations on wages and union shop demands (BW—Apr.26'41,p58). . . . The dispute at the Atlanta, Georgia plant of Cluett, Peabody & Co. between the company and C.I.O. on one side and the A.F.L. on the other (BW—Mar.15'41,p82) will be resolved this month by a Labor Board poll. . . . Final settlement of the issues in the Allis-Chalmers strike in Milwaukee (BW—Mar.29'41,p48) includes a 5¢ an hour blanket wage increase. This week, NDMB goes to work on another Allis-Chalmers dispute involving the company's Pittsburgh plant and C.I.O.'s electrical workers union. The Milwaukee strike was run by C.I.O.'s auto unit. . . . The meat packer's united front against the C.I.O. (BW—May3'41,p58) was taking stock of last week's Labor Board order requiring Wilson & Co. to disestablish the Wilson Employees Representation Plan because it was "a company dominated organization." C.I.O. officials hailed the order as an important victory. . . . NLRB lost one and won one in the courts this week. The Supreme Court refused to hear NLRB's appeal from a lower court ruling which held that du Pont's employees' association was a bona fide union. A Circuit Court held with NLRB that a sitdown strike aboard a ship in a domestic port wasn't mutiny.

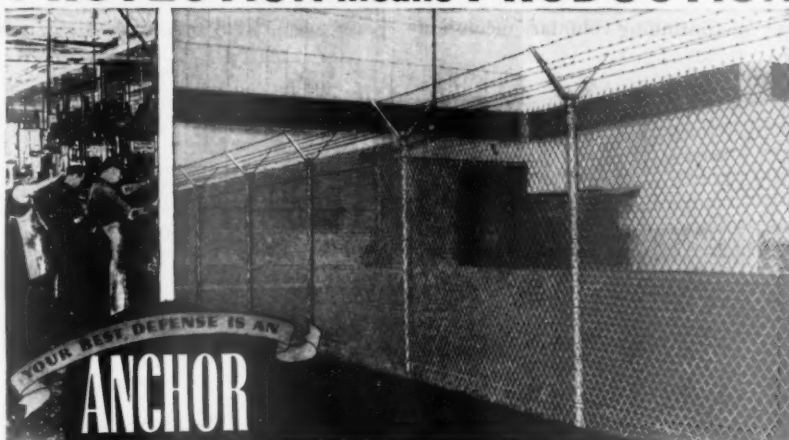


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# FINANCE

## Schram to Wall St.

**Bold strategy is evident as Big Board goes to New Deal camp to find a president, who will have plenty of problems.**

Wall Street was treated to quite a surprise this week when it was at least semi-officially confirmed that the New York Stock Exchange had gone to Washington to get its next president. It was a bold step, yet one which long had been advocated by a handful of important members of the financial community.

President-designate is Emil Schram, one of Jesse Jones' boys, for some years a fairly important factor in the New Deal lending setup, and chairman of the Reconstruction Finance Corp. ever since Jesse Jones vacated that position. Hoosier Schram is a burly man of 45 with sparse, blondish hair, and was a successful business man before he went to Washington. His businesses included farming, timber, and coal.

• **Career with RFC**—He was made a member of the Reconstruction Finance Corp.'s board in 1936. From handling loans to needy drainage and irrigation districts, he moved up to manage the RFC's loans-to-business program. On the side, he ran the Electric Home and Farm Authority's program of financing the sale of electrical appliances, particularly to rural electric cooperatives.

Not long ago Mr. Schram was catapulted into print when he became the center of a controversy in the Federal Reserve Bank of Chicago (BW—Mar. 15'41, p89). The presidency of the bank was open, and Mr. Schram apparently was boosted pretty strongly for the job by Jesse Jones. The Chicago Reserve Bank's board deadlocked in a vote on the presidency, adjourned to think it over.

• **Nothing Personal**—As Chicago bankers tell the story, there wasn't any objection to Mr. Schram personally. The refusal of the bank to accept him was due to the feeling that Washington was dictating. Result was that he lost out. The bank chose Clifford S. Young, one of its own vice-presidents, in a compromise.

Thus Mr. Schram lost out on a job paying \$12,500 a year only to catch onto one paying a great deal more. It remains to be seen whether he will get the \$48,000 a year paid to William McC. Martin, Jr., who gave the job up recently when he was caught in the Army draft, but it's a cinch the pay will be better than \$12,500. Final approval of Mr. Schram for the job can't come

until the first meeting of the stock exchange's new board of governors, and that meeting probably will not be held for several days. However, the selection has the unanimous blessing of the special committee picked to seek the new president. Moreover, the special committee is headed by Robert Stott, chairman of the new board of governors, and it is to be assumed that Mr. Stott is pretty sure what his board is in the mood to say about the appointment.

It is equally certain that the choice will not be popular with all members of the exchange. Advocates of naming a federal official for the presidency long have held that it would be the best way of making peace with Washington and of assuring a more sympathetic hearing when the Big Board has some problem to take up with the Securities and Exchange Commission. There are many, however, who feel that there is no making peace with the New Deal and that a finish fight with the SEC is the only way the organized markets can survive.

• **Management Problems**—With the membership split along these lines, Mr. Schram will have need for a good deal of diplomacy. But, quite aside from the politics of the case, he steps into a job which presents its management problems. As pointed out frequently in this space, the stock exchange and its members have to find some way to make a



## LEAVING WASHINGTON

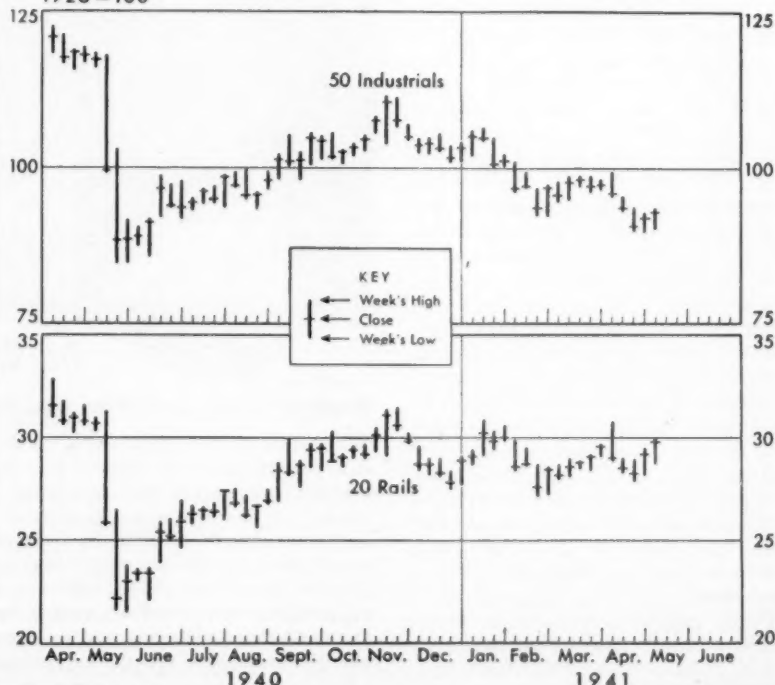
Emil Schram, Reconstruction Finance Corp. chairman, soon is to leave Washington to become president of the New York Stock Exchange.

living if they are to stay in business.

Right now there is a veritable landslide developing in favor of supplementing the present auction market on the New York Stock Exchange with a type of trading which resembles over-the-counter dealing (BW—Apr. 19'41, p70). Details are so difficult to work out—and pitfalls so hard to foresee—that many members are urging that the plan be put into force and the rules worked out by

## COMMON STOCKS—A WEEKLY RECORD

1926 = 100



Data: Standard & Poor's Corp.

© BUSINESS WEEK



## GOING TO WASHINGTON

Sidney J. Weinberg, prominent investment banker and New York Stock Exchange member, is cutting his Wall Street ties to become assistant to Donald Nelson, director of purchases, Office of Production Management.

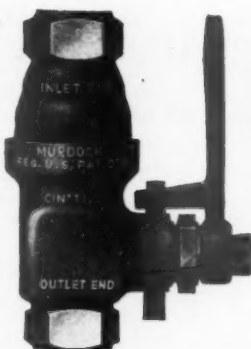
trial and error as trading goes along. Working out these rules will be a job in which the president's office undoubtedly will be asked to take a hand. Another current problem—one posing fewer technical imponderables for the incoming president—is that of exchange organization. Mr. Martin, in the speech which commonly is dubbed his valedictory, took some pot shots at his critics. He said that the paid personnel of the exchange should have a freer hand in solving operating problems and that there should be less committee management. To that end, he urged halving the number of governors and cutting the number of committees.

The prospect of more authority, even though it may be coupled with added responsibilities, should make the job more attractive to any outsider who takes over.

## PAY-AS-YOU-GO CHECKS

A depression innovation, the pay-as-you-go or metered checking service by banks on no-minimum-balance accounts, receives the most complete analysis to which it has ever been subjected in a study completed this week. After months of work, a committee of the Financial Advertisers Association has finished a 20,000-word report which has stirred interest in banking circles.

Principal conclusion is that the checking system—no matter what it is called and regardless of the fee per transaction—has to get off on the right foot if it is to succeed. For one thing, it very obviously has to bear its proper share of expense, and to do so it should



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not be comingled with the bank's regular checking accounts. Of equal importance, it has to be launched with enough buildup to give it real appeal to the masses of small depositors who have to support it. If the promotion job doesn't cause people to talk about it right from the start, the chances are it never will get up much steam. Copies may be had from the F.A.A. headquarters in Chicago.

## P. S.

The country received some reassuring information when Chairman Irving S. Olds of U. S. Steel told stockholders on Monday that the corporation now is producing more steel than all German mills combined. That's the advantage of Big Steel's size, and shareholders now are wondering why the new tax plan should penalize such size.

## Atlas Corporation

### Dividend No. 19

#### on 6% Preferred Stock

NOTICE IS HEREBY GIVEN that a dividend of 75¢ per share for the quarter ending May 31, 1941, has been declared on the 6% Preferred Stock of Atlas Corporation, payable June 2, 1941 to holders of such stock of record at the close of business May 17, 1941.

WALTER A. PETERSON, Treasurer  
May 6, 1941.

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- what work to delegate to others; how to keep a check on it
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# THE MARKETS

## Rise In Rails and Oils

Tuesday's upturn in the stock market, accompanied by 900,000-share volume on the New York Stock Exchange, emphasized the fact that the railroad and petroleum groups are currently among the most highly regarded. Five of the 10 most active stocks on Tuesday were rails and four were oils. General Motors was the outsider, ranking sixth in point of activity for the session.

If you took the 15 most active issues you would find six rails, six oils, one motor, one steel, and one aircraft manufacturer. Aside from this topheavy grouping of the trading favorites, there was another unusual aspect of the situation, to wit: every single one of the 15 finished behind a plus sign.

The Street had no very definite opinion as to just what caused Tuesday's little boom, nor, for that matter, why the market settled back into its rut the following day just as though nothing had happened. Generally it was conceded that the relative lull in hostilities abroad is the best news. Wall Street goes on the theory that every passing day which sees no important blow struck at England is a day to the good.

This explanation of the general mar-

ket action has nothing to do with the particular favor in which the oils and rails seem to be held currently, however. The rails have been popular because traffic recently has been the best, except for the coal strike interruption, since 1930. The roads serving industrial regions are getting ever-increasing volume, and grain carriers are looking forward to movement of a bumper winter wheat crop.

In the case of the oils, use of gasoline is well ahead of all past records and price advances have been general (BW—Apr. 5'41, p. 22). Stocks of gasoline are down about 3,400,000 bbl. from the spring peak (despite steady accumulation of aircraft fuel which now tops 7,000,000 bbl.). Moreover, storage is nearly 6,000,000 bbl. under a year ago. Inasmuch as excessive stocks of gasoline long have been the bugaboo of the industry, observers now feel that a substantial turn for the better has come.

In view of these circumstances, it is perhaps not surprising that a representative group of rail shares now averages 13% higher than three weeks ago when the market hit a new 1941 low, and that a dozen leading oils are up 10%. Over the same period, the Standard and Poor's average of 50 industrials has rallied only 2.3%. Failure of the rail shares to "confirm" the break in industrials is regarded as an at least mildly favorable market signal.

## Security Price Averages

Stocks	This Week	Week Ago	Month Ago	Year Ago
50 Industrial .....	92.9	92.0	95.9	117.4
20 Railroad .....	29.8	29.2	29.0	30.7
20 Utility .....	45.0	46.1	49.1	67.6
Bonds				
20 Industrial .....	90.3	90.2	90.4	87.4
20 Railroad .....	68.0	67.1	65.2	58.2
20 Utility .....	101.3	101.2	101.1	101.4
U. S. Government .....	111.2	111.3	109.8	108.1

Data: Standard and Poor's Corp. except for government bonds which are from the Federal Reserve Bank of New York.

## COMMODITIES

## Fat-and-Oil Boom

Price upsurge in edibles is traceable to good domestic demand, exports to England, and shortage of shipping.

Enthusiasts in the fats and oils trade are almost ready to believe that there is no end to the rise in prices in their products. Quotations have just about doubled in the last few months, and the

ing worry is that federal authorities will  
up in with a price-fixing order.

The boom has been fostered by in-  
creased exports to England as well as  
large demand at home. Excitement is  
intensified by shipping shortages which  
have been choking off imported oils.

**Advances This Week**—Higher quota-  
tions on crude oils forced markups this  
week of refined edible oils. Refined oils  
and shortening were advanced  $\frac{1}{2}$ ¢ per  
pound last Monday. Lard is selling  
around 10¢ a pound (more than double  
Jan. 1 price) for the first time since  
1937, when it reached a top of 14.10¢  
before the presidential statement that  
commodity prices were too high. Recent  
U. S. action of placing a minimum price  
of 59¢ a cwt. on hogs (BW-Apr. 12 '41-  
'42) tends to place a supporting floor  
on the co-related price of lard.

Production of lard for the last re-  
ported month, March, was 130,029,000  
lb. Domestic consumption rose to 111,-  
26,000 lb. and exports increased to  
4,529,000 lb. Cold storage stocks de-  
clined to 310,725,000 lb. in the month.  
Stocks still remain ample, however, for  
the beginning of March they were  
an all-time high.

**Cottonseed Oil**—Lard was at a sub-  
stantial premium over the price of cot-  
tonseed oil when the 1937 dip began.  
Production of cotton declined, the  
spread narrowed until lard now is at  
about a  $\frac{1}{2}$ ¢ discount. Except for butter,  
cottonseed oil is the most heavily con-  
sumed food fat or oil in the U. S. and  
accounts for about a quarter of the  
total. Lard accounts for 23.4%, soybean  
oil about 6%, and peanut and corn oil  
7%. Cottonseed oil refiners generally  
are sold up solid for 30 to 60 days and  
definitely not anxious to sell. Domes-  
tic consumption has been large in recent  
weeks.

Since passage of the lease-lend bill,  
the Surplus Marketing Administration  
has purchased fairly large quantities of  
lard and cottonseed-oil for shipment to  
Britain as soon as space on merchant  
vessels is available. News on Tuesday  
that the Senate moved to provide crop  
prices at 85% of parity (that would  
boost the price of the corn fed to hogs)  
pushed prices further as some sellers  
reportedly withdrew from the market.  
**Butter and Peanuts**—Butter topped  
on Tuesday for the first time since  
August, 1936, seemingly in sympathy  
with strength in the other commodities.  
Until the 1934 diversion plan of the  
Agricultural Adjustment Administra-  
tion, peanuts were grown domestically  
for food, not to be crushed for oil. The  
1934 action strengthened and stabilized  
the price of peanuts, but peanut oil  
hereafter declined from around 13¢ a  
pound in 1934 to 8.6¢ in 1938. Now it  
has recovered to around 12¢.

Under plans announced recently  
(BW-Apr. 12 '41, p. 72) peanuts may be  
grown on any part of the 1941 cotton

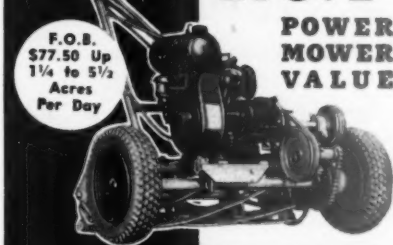
acreage allotment which is not used for  
cotton production. Planters who sell the  
peanut crop to the U. S. for oil would  
still qualify for full acreage payments.

• **Soybeans**—Production of soybeans  
nearly tripled between 1936 and 1939,  
and the price of soybean oil dipped from  
a dime a pound to less than a nickel.  
Production last year dipped very slightly  
—from 87,409,000 bushels to 79,837,000  
bushels—and the price of the oil again  
has regained the 10¢ level. Demand for  
soybean oil and soybean meal has in-  
creased as new uses have been de-  
veloped.

First to feel shipping scarcities, of  
course, are the imported fats and oils,  
which last year accounted for 19% of  
domestic consumption of all fats and  
oils (coconut oil 6%, palm oil, 4%,  
linseed oil 3.9% and others 5.1%).  
More than half of these came from the  
Far East. The trouble now is that there  
just aren't enough available ships.

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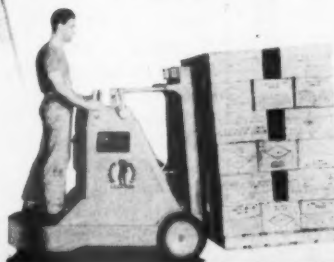
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## BUSINESS ABROAD

### Canada's Tax

Dominion studies effect of new imposts on business. Labor troubles worry industry. Joint action with U. S. speeded up.

OTTAWA—Assurance that integration of U. S.-Canada war aid to Britain will be speeded is seen in the arrival of a U. S. mission and the setting up of a joint coordinating committee on materials. The American mission was led by Caterpillar Tractor's president, B. C. Heacock, acting as special assistant in the War Department at Washington. A primary task of the new materials committee will be to determine what Canada can supply quickly to facilitate U. S. production and to arrange for U. S. materials that will boost the Dominion's war output.

In this country as in the U. S. the determination is growing to rush increased North American aid. An undercurrent of feeling is developing that if this is not done at once much of the effort may be too late.

• **Uneasy over Labor**—Canadian uneasiness this week focused on labor troubles which have jumped the border. In Canada the C.I.O. is making its main demonstration in the steel industry. A strike in the National Steel Car plant at Hamilton, working on important war contracts, was ended by Ottawa's installation of a government controller at the works. The company, claiming that only a small percentage of its 2,500 workers supported the strike, holds that Ottawa's intervention encourages C.I.O. intimidation. Immediate cause of the strike was refusal to reinstate an employee dismissed for absence from work after he had been elected to a union office. Government control of the plant followed Ottawa support for the reinstatement demand.

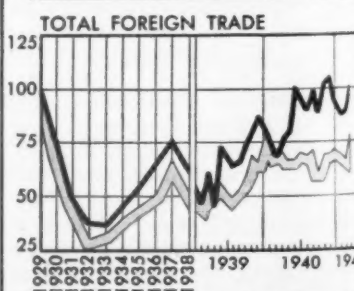
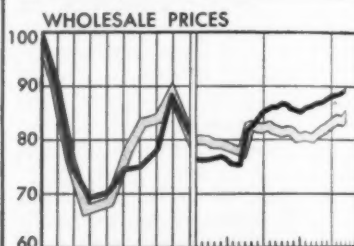
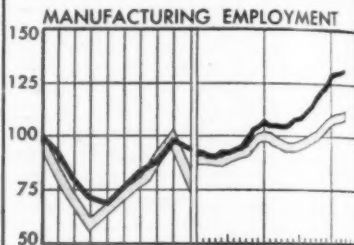
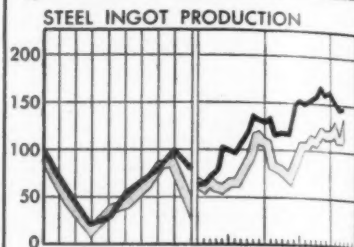
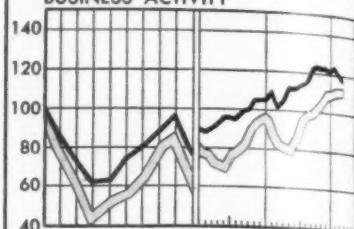
• **No Interruptions**—Labor Minister Norman McLarty promises that interruption of war work will not be permitted but industry feels that official backing for what are regarded as C.I.O. designs for exploiting the war emergency is not the proper preventive. Sympathetic strikes in Nova Scotia and northern Ontario steel plants were ordered but abandoned upon Ottawa's intervention in the National Steel Car case.

At the week-end, community strikes in western Ontario industrial cities busy on war orders were being discussed by C.I.O. spokesmen. A widely held Canadian view is that sudden development of labor trouble in this country, which was free of it until two or three weeks

## TREND OF BUSINESS CANADA AND U. S.

1929=100

CANADA — U. S.



© BUSINESS WEEK



is not due to workers' grievances to C.I.O. jockeying for advantage. Ottawa intimates that strong official action will be applied if necessary and is felt here that coordination of war production across the border should encourage measures to prevent interruptions.

**Installment Taxes**—Canadians will be required to adopt weekly or monthly budgets to meet the new war taxes on incomes which double current levies on lower and medium brackets. Increasing numbers will pay in monthly installments under a system introduced this year. Last week's budget emphasizes Ottawa's determination to make the war costs hurt. Minimum rate of the estimated tax jumps from the previous year to 15%; on top of this the defense tax on salaries and wages, which was 3% is upped to 5%—7%. Ottawa's preference for direct rather than indirect taxes is demonstrated in the income schedules and the decision to leave the 8% sales tax untouched except for removal of exemption for building materials.

The new taxes will add around \$300,000,000 to tax revenue, bring it to \$450,000,000. With direct war cost added at \$1,450,000,000, the \$450,000,000 cost of civil government becomes a deficit. But Ottawa is also financing a British exchange deficit of \$150,000,000. When Canada's deficit of \$350,000,000 with the U.S. is taken into this (under the lease-lend allowances), the Dominion is left with an \$80,000,000 exchange loss to take care of making the country's war cost for the year at least \$2,250,000,000 against revenue of under \$1,500,000,000. Last month's war loan, likely to be \$50,000,000 to \$1,000,000,000, will leave a huge shortage.

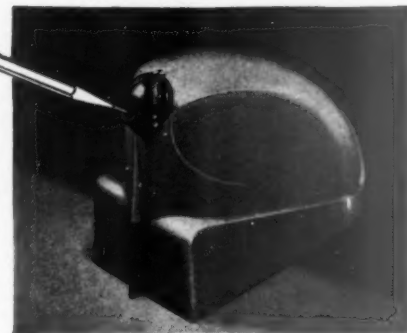
**Heavy Consumer Taxes**—The budget will effect business by blotting up consumer buying power. Some of the more painful levies are: a new federal 3¢ gasoline tax added to stiff provincial levies; a jump from 20% to 25% in direct tax on low-priced motor cars; taxes on beer and wines, soft drinks, travel tickets, long-distance movie admissions, race track wagers, cosmetics. Companies also get bumped directly through a higher minimum rate in the excess-profits tax, making the lowest corporation levy 10%.

Ottawa is by-passing the January refusal of the provinces to accept the Well-Sirois Commission plan for Dominion-provincial financial readjustment. After boosting income taxes to high levels, Finance Minister Isley asks the provinces to vacate this tax for the duration. In return he will pass along out of federal collections the amount they obtained on incomes in 1940. As an alternative he will reduce their debt-service costs. With the



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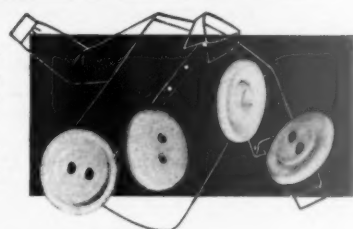


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possible exception of Ontario, which wants to guard its future right to income tax and may offer a counter-proposal, the provinces are expected to accept. Ilsley also invaded the provinces' hitherto exclusive death duties field, imposing modest federal levies.

Official Canadian estimate of what Canada's exchange deficit with the U. S. for the year ending Mar. 31, 1942, would be at the present rate of shortage is \$478,000,000. U. S. concessions under the Hyde Park arrangement just about take care of this, without leaving a balance which would permit, in the Ottawa estimate, relaxation of restrictions on exchange. Consequently removal of import bans imposed in December and provision of U. S. funds for holiday travel below the border are barred for the present.

## U.S. Shipping Pool

**First move projected in plan to put all merchant vessels under central control to meet problems in two hemispheres.**

Within a few weeks Washington will be operating about 2,000,000 tons of merchant shipping as a part of a vast wartime emergency program which is bound to include all ships if the war lasts long.

Assembly of the bottoms will not begin officially until Congress passes the Bland bill giving the President and the Maritime Commission authority to force all American flag vessels to operate under governmental supervision during an emergency.

• **What It Will Include**—The 2,000,000-ton pool will be made up of the million tons of foreign vessels which have been seized in United States ports, the last of the Maritime Commission ships which have been laid up since the last war and are now being reconditioned in East Coast shipyards, additional ships now operating in the intercoastal service, and a few of the fast new C-type ships being built by the Maritime Commission at the rate of 70 a year. In addition, a small fleet of tankers will be commandeered to assure adequate deliveries of oil to the British. Tanker operators have already designated 50 units that will be made available for moving oil from the Caribbean and the Gulf to the North Atlantic, where it will be transferred to British tankers.

It is obvious to insiders that the scheme is merely the first move in a broad plan to bring all merchant shipping under centralized control in order to provide the greatest possible efficiency of operating during the war.

• **More Than Britain**—Deliveries to Britain are only one aspect of the situa-



## TAKES NEW JOB

In a shakeup last week, Lord Beaverbrook, England's big newspaper publisher, drew a brand-new British Cabinet job—Minister of State. His specific duties were undefined, but the former Minister of Aircraft Production is to act, among other things, as a liaison agent between the Churchill government and the people.

tion. Defense engineers estimate that it will require 4,000 shiploads of materials to cover the construction needs of the Caribbean and East Coast bases being built on lands leased from the British.

Huge United States orders for rubber are piled on docks at Batavia, Singapore, and Penang, waiting for American vessels to pick them up. Tin deliveries from the Far East are also lagging behind schedule. Rangoon docks are piled high with outgoing cargoes from both Burma and China. And Philippine merchants are still protesting over their inability to get bottoms to pick up their sugar, coconut oil, and fine lumber.

• **Latin American Trade**—But one of the most acute problems, so far as Washington is concerned, is the difficulty of providing enough vessels to handle the Latin American trade. The United States is pledged to keep business moving among the "Good Neighbors" whose own merchant fleets are small.

"At the same time, Washington is filling as many as possible of its raw-material needs in Latin America because (1) it is a part of hemisphere economic policy, (2) it helps to convince these nations that the United States is just as logical a consumer of most lines as Europe is, and (3) it is wise to develop supplies that can be hauled through the relatively safe waters of the Western Hemisphere.

## Nazis Eyeing 1942 PR

**More women are drawn into German industry as demands on war machine increase. Economic blitz continues.**

BERLIN—Germany is preparing another year of war. It was evident Hitler's address last Sunday that Nazi officials now believe that they can win this war during the next few months as a result of an all-out effort though they remain confident of the ultimate outcome.

How far Germany is being pressed to keep the country's huge war machine operating on farflung fronts was dramatically brought out by Hitler's statement that "many hundreds of thousands of German women and girls" still available for work in German factories and they will be drawn into industry rapidly in the next few months to provide "more and better arms" for German soldiers.

• **Not "in the Home"**—According to official reports, the Nazis have drafted 800,000 women into industry since outbreak of war and, despite the Hitler claim that the place of women was in the home, more than 8,200,000 women were employed at the end of 1940. Last year, women made up 38% of all employed persons against 33% in 1939.

The Nazi economic blitz is following the army in all newly-occupied countries. "Plan" of the business general to push British capital out of the Balkans, and the newest military victory in Yugoslavia has opened up one of the richest fields in all southeastern Europe. • **Method of Operation**—The pattern for Balkan operations was set in Rumania, where British companies controlled more than 75% of the oil fields. By buying out the small Rumanian producers, who accounted for a bare 10% of the country's total output, the Germans got a toehold in that Rumanian industry. Efforts now are directed at squeezing the exiled British owners entirely out of the field.

Yugoslavia is potentially as rich in Rumania although its resources have not been as extensively exploited. British investments in Yugoslavia amount to \$30,000,000. French investments in the (C.) only slightly less, and until 1938 topped the British. But in 1939, with the Nazis quietly buying into all kinds of mining enterprises and manufacturing industries, the Reich topped all other countries in the value of its Yugoslav holdings. Since the capitulation of Belgrade the Nazis have been systematically taking over all of the mining properties and reorganizing them to produce the needed raw materials.

# PROFIT & LOSS

## are drawn for Short

A circuit judge in Miami revoked the charter of the local America First Committee this week, but he'd scarcely got his breath back after doing it, before the acting chairman of the committee had resigned and taken out a charter for a new organization which will be called The Society of Americans in Favor of the United States Preparedness and Opposed to Foreign Wars and in Favor of Upholding and Defending the Constitution of the United States.

Despite the fact that it is pretty refreshing to see the purpose of an organization all clearly explained in its name—especially after some of the titles that seem to have covered a multitude of sins—this new organization looks like a prize-winner for long-windedness. We look forward with interest to the time when we'll hear someone say he's a member in good standing of The S.O.A.-F.O.T.U.S.P.A.O.T.F.W.A.I.F.O.U.A.D.T.C.O.T.U.S.

## lection

The National Labor Relations Board of work new Bernard Hoberman, Philadelphia multry dealer, into some confusion recently by ordering a collective bargaining election among all the employees of his firm. The confusion resulted from the fact that the Hoberman concern employed only one permanent employee—a general foreman named Cleveland Robinson.

Though the Labor Relations Board says that the part-time workers who are intermittently hired by Hoberman can't join a union if they want, Hoberman was set up hardly any of the part-time workers can turn up twice—while Cleveland Robinson just keeps saying he isn't a union man, and doesn't think he cares to become one.

## tourists Accommodated

There are all kinds of stories going the rounds now about the chaotic living conditions in Washington these days, but few of them are as pleasant as the one about the two representatives of the Steel Workers Organizing Committee (C.I.O.) who went to Washington in 1938 to see Phil Murth the N.Y. president of the C.I.O., to get his views on the contract which had just been negotiated with the Jones & Laughlin Steel Corp.

The S.W.O.C. boys hadn't made any observations, and their only baggage was the J. & L. contract in an envelope, which they walked up to the desk of the Wardman Park Hotel and said they had to have a room because it was very



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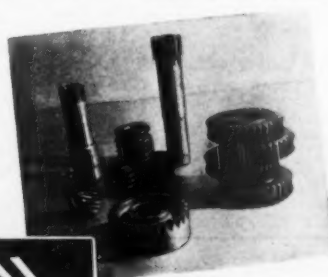
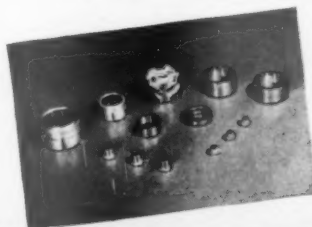


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important that they get to see Phil Murray first thing in the morning. The hotel was full-up, but after a little delay they were ushered up to a room on the eighth floor and were left standing in a large foyer until the bellhop directed them into a tremendous sitting room with a crystal chandelier, and left them there.

After a nervous glance around the luxurious room, they began opening doors. One led to a kitchen, another to a dining room, another to a lady's boudoir, and another to a bedroom with twin beds in it, and a balcony leading off it.

That looked like the best bet and so, still expecting the bellhop to come back and tell them there had been some mistake, they started to get ready for bed. Then they remembered that they were pretty hungry. They picked up the phone.

"This is the White House," said a voice on the other end of the line.

That left them speechless.

"Is this Secretary Knox's residence?" the voice wanted to know.

The boys said something about cutting the comedy and giving them room service, please.

"Is this Room 800-A?" the voice came back.

It was.

"Well," the voice explained. "You are in Secretary Knox's suite. You've picked up the wrong phone. This is a direct line to the White House."

The S.W.O.C. men hung up in a hurry, but in just a couple of minutes the phone rang and they picked it up again.

"This is the White House," the voice said. "I just happened to think that other phone might be dead and I'd better tell you. Anyway the hotel kitchen is closed and you can't get anything to eat there. What did you want to eat anyway?"

The boys mumbled that they were just thinking of a batch of hamburgers and some coffee.

"Well," said the voice, "there's a hamburger stand across the street from the hotel. I'll call them up and have your order delivered."

It came pretty quick, too. The next morning the boys were up early and paid their bill—\$3 apiece, it was—and went over to see Phil Murray. Mr. Murray hadn't put in too good a night. It seems he'd come into the Wardman Park late and without a reservation, so he'd been put in some little cubicle up under the roof.

Then, halfway through the night Tom Kennedy, who is secretary-treasurer of the United Mine Workers' Union, had turned up at the hotel and had to be crowded in with Phil Murray. The two steel workers said they had put in a very pleasant night, and settled down to business.

# THE TRADING POST

## Spare-Time Mechanics"

The other day I had a visit with Dudley Holland of Greenwich, Conn. He is an advertising man, but just now he's all steamed up over his idea for training "spare-time mechanics."

Basis of his scheme is (1) that modern war needs a lot of mechanics and near-mechanics and (2) that mechanically minded men are always keen to indulge their "fixing" instincts.

So, asks Mr. Holland, why not let men between 18 and 55, employed and unemployed, who will volunteer their spare-time evenings and week-ends have some training as spare-time mechanics?

He says there are few towns that don't have vacant factory, warehouse, or other space available. Likewise, almost every town can provide a supply of old automobile motors and chassis from the local automobile "graveyards." He would give the trainees practice in tearing down and rebuilding old motors, radio sets, vacuum cleaners, electric motors, and in grinding valves, reboring cylinders, welding parts, repairing generators, learning to use micrometers and slipers—in fact do all the things that could provide basic training.

Fruits of this effort, says Mr. Holland, could be a large, vast-growing reserve of spare-time mechanics available either for industrial work, jobs in the Army or Navy, wherever they may be called to service, or in the home guard.

Obviously, such men would not rate with skilled machinists who require years of training. But here is a way to produce near-mechanics to take over some of the less-skilled jobs and release men who already have shop training for upgrading to higher skills.

Today, he points out, the machines normally available for training are increasingly busy on war work and it is going to take time to provide new ones. Vocational schools—for the most part located in larger towns—are crowded with apprentices. Here, says Mr. Holland, is a way to extend training, even in the small towns, to men who are willing to devote their spare time to it.

For men in the draft age group—21 to 35—he sees an opportunity to prepare, while they are still working at their regular jobs, to be more valuable to the service and to themselves when they are called to active duty. Such men could proceed at once to advanced training on tanks, trucks, airplanes, and other equipment with a minimum of delay. If such men stay at home, they will have to spend many months in basic mechanical training before they are ready to learn something practical about

servicing, operating and repairing mechanized equipment.

If the spare-time mechanics do not find jobs in industry, or are not called into the armed services, they can, after six months' training, form the nucleus of a mechanized home guard and be available for tank emergency repair depots, air corps emergency airports and landing fields, anti-aircraft and searchlight batteries, motor patrol boats for harbor duty, and the like. Without such training, home guards are little more than an auxiliary police force, useful in itself but unable to render the kind of auxiliary service that may be required in modern mechanized warfare.

Mr. Holland says he has put his idea up to 300 men of average citizen type. Their reaction is uniformly "Yes, I would gladly devote my spare time to such training. Then I could prepare myself to be more useful."

Colonel H. H. Adams, a retired army officer, is helping Mr. Holland to get his program started in his home town. They want to take over an old barn owned by the town, put in some pot-bellied stoves, get wiring and lights installed, and to do this by subscriptions from citizens to buy equipment.

But that's where Mr. Holland now stands. Outside of the young men who are willing to put in their time, he has been unable so far to develop enough cash support to get his project on a going basis.

But he is plugging away hopefully, convinced that his program is so sound that if he can get it started it will breed popular support. What worries him most is that the business men with whom he has discussed his project confuse it with the formal training courses that are being set up to produce expert mechanics and machinists. What he is trying to do is to harness the latent mechanical interests and instincts of many Americans together with their spare time and thereby to develop some emergency mechanics as well as to prepare some of the boys to enter the service better fitted.

So he is looking for some business men who will finance a start for his plan in a few communities.

In these times the air is so full of plans and schemes that it is truly difficult to sort them out. But Mr. Holland's scheme has two merits worth considering. First, he is not trying to do too much. And second, he is trying to harness local and individual initiative with local resources to do the kind of a job that probably never would get done in any other way.

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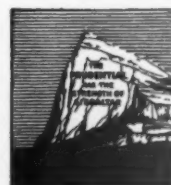
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# THE TREND

## BUSINESS MEN AS USUAL

It wasn't so long ago that the United States, as a nation, was given up as an industrial has-been. As recently as 1938, economic pundits declared that, now that the frontier had been developed, now that there were no new industries on the economic horizon, America had reached maturity. All that was needed was a tombstone and a fitting epitaph.

But today American industry is booming. The Business Week Index of Business Activity is just about at its all-time high, and it hasn't approached a top. Industries which were given up as down-and-out have bounced back. Railroad equipment, as an instance, is running along at a rate double that of August, 1939 (chart, page 27). Shipbuilding is another "futureless" oldtimer that has had an economic resurrection.

Indeed, as the charts on pages 26 and 27 emphasize, the entire American economy is like a young man going places. Both consumer goods and defense production have increased strikingly since the war began—though, of course, defense output has far outstripped consumer goods production. And the outstanding development has been the rise of the airplane. This is, of course, readily explained by the war demand; but the fact remains that an industry which five years ago was a speculative luxury is today all set to become an increasing factor in the nation's economic life. Which puts a crimp in the theory of no new industries.

• From this, there is a moral. Economic theories, like Eugénie hats and torch singers, become fads and then pass on. We've had our dose of economic fads in recent years. In 1928 and 1929 we talked about the New Era—an ever-climbing wave of endless prosperity. Then, in the depression, we had all sorts of theories of underconsumption; these later switched to theories of underinvestment and over-savings. And throughout the period, like the recurrent theme in a Bach concerto, there persisted the theory of economic maturity—the deadliest of all industrial diseases.

Nowadays, with the world in political and economic ferment, all sorts of new social and economic theories are springing up. There is the theory that the profit-motive is on its way out—that higher costs and higher taxes are taking the incentive out of business. So what's the use? There's the theory that government regulation is leading to totalitarianism. So, again, what's the use? There's the theory that slowly but surely the labor unions are taking over, and that business men will be back-numbers when the war ends. So, again, what's the use?

• Like all theories, these have a partial kinship to truth and reality. There is no doubt, for instance, that with rising costs and rising taxes, it is harder to make a profit today than a dozen years ago (BW—Nov.2'40,p64). Nor can it be denied that government controls are definitely

increasing. Nor can it be gainsaid that labor unions are gaining in strength (BW—Mar.29'41,p64)—though this hardly presages a labor government.

But such evidence, alone, is insufficient to support a proposition that business is on its way out and some "ism" is on the way in. What's happening in Washington clearly contradicts this idea. It is true that President Roosevelt is very much the country's head man, and that his closest associates, Hopkins and Henderson, are non-business men. Yet there is no escaping the fact that this government, more than any other in recent years, is enlisting the services of the business man. Look over the list of key defense personnel—Knudsen, Stettinius, Biggers, Nelson, Batt, the Treckers. The directory of the Office of Production Management reads like a Blue Book of Business.

• The point is, of course, that you cannot run business without a business man, any more than you can run a trolley car without a motorman. Experience, ability, skill, imagination, and the willingness to assume responsibility still count; the world still pays for the know-how. And after the war is over these same, good, old solid virtues will still yield profits and pay dividends. Indeed, the transition from a war economy to a peace economy will require even more skill and more imagination than the transition we are now going through in converting peace operations to war preparations.

Remember, in wartime it is comparatively easy to plan for increased output. You are producing for a single main consumer—the armed forces—and all other production is subserviated to that end. In peacetime, there is no single main consumer. You are catering to the million-and-one wants of 130,000,000 people.

• The basic problem of the post-war epoch has been clearly posed by the developments of the last five years. In that period people have seen war preparations provide the incentive to maintain the economic machine in high gear. And it is unlikely that, after the war, the people of the United States or of the world will placidly watch that machine stand idle, while they, as workers, are unemployed and underfed. Under such conditions, they would certainly question the blessings of peace.

Thus, in the post-war era we have our job cut out: full employment and full production. And though, in the process of attaining that end, the rules of the game may change, the game, itself, will still be what it always has been—to provide goods and services. And all the isms and all the ideologies cannot, do not, change that fact, nor the corollary that, to attain full employment and full production, the skill, experience, initiative, and imagination of America's best business minds will be indispensable.

*The Editors of Business Week*



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